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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

First report of the Advisory Committee on Administrative and Budgetary Questions*

PART VIII - COMMON SUPPORT SERVICES

VIII.1. Part VIII of the proposed programme budget for the biennium 1998-1999 covers section 27, Administrative services, estimated at $876,031,800 before recosting and $904,192,900 at 1998-1999 prices, or 35 per cent of the proposed budget for 1998-1999. As indicated in table 27.1 of the proposed programme budget, the estimated requirements represent a resource reduction of 6.6 per cent. In addition to the regular budget estimates, extrabudgetary resources for section 27 are estimated at $86,416,500. Table 27.1 provides a distribution of the regular budget estimates among sections 27A to 27H and a breakdown of extrabudgetary resources by source of funding.

VIII.2. As indicated in table 27.3 of the proposed programme budget, the total number of posts, including 537 posts funded from extrabudgetary resources is 3,884. The total number of established posts funded under the regular budget is 3,347 as compared to 3,925 in 1996-1997. This represents a net reduction of 578 posts, of which 131 are in the Professional category and above, 402 in the General Service category and 45 in other categories. For extrabudgetary posts, the net reduction is 4, from 541 to 537.

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* The present document contains part VIII of Chapter II of the first report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 1998-1999. Chapter I has been issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7). The complete first report will be issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7/Rev.1).

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VIII.3. The Advisory Committee notes from paragraph 139 of the introduction to the proposed programme budget that the Department of Administration and Management would be renamed the Department of Management. However, the Advisory Committee notes from paragraph 27A.1 of the proposed programme budget that the Department continues to be referred to as the Department of Administration and Management to be in charge of the "re-orientation and transformation of the management of the United Nations". To this end, clear lines of responsibility and accountability would be established and a series of management improvements would be introduced. The Advisory Committee also notes from paragraph 27A.1 that the focus would be on three areas of management activity: financial resources; human resources and support operations. Strategic planning and performance monitoring functions would also be strengthened.

VIII.4. The Advisory Committee's review of this section of the proposed programme budget to verify how the above goals are to be achieved and the resource implications was affected by a number of serious constraints. Information on a number of proposals intended to streamline and reorient management of the Secretariat was not available. For example, comprehensive information concerning three pilot projects (in ECLAC, the United Nations Office at Vienna and Conference Services) was not available. Also not available were details concerning the proposal to reduce administrative costs from 38 per cent to 25 per cent (see A/51/873), or an analysis of the impact on the Department of Management of the establishment of a new Department of General Assembly and Conference Services Affairs. The Advisory Committee is also of the view that the lack of an integrated information technology strategy constitutes a major constraint. The Committee notes from paragraph 154 of the report of the Secretary-General on the work of the Organization[1] that "a strategic plan for technology has been devised and put in place, and great strides have been made in updating existing infrastructure". The proposed programme budget and the testimony from the representatives of the Secretary-General, however, did not bear this out.

VIII.5. Proposals on management improvement and the role of such bodies as the Management Reform Group (para. 27A.2) vis-à-vis the functions to be performed by other units of the Secretariat were also not clear from the budget submission, nor from the testimony of the representatives of the Secretary-General.

VIII.6. The Advisory Committee discussed with the Under-Secretary-General for Administration and Management and other representatives of the Secretary-General the three pilot projects being initiated in New York, Vienna and Santiago, mentioned in the report entitled "UN21 - Accelerating managerial reform for results" (A/51/873) but for which no information had been provided in the proposed programme budget.

VIII.7. The Under-Secretary-General informed the Advisory Committee that with the ECLAC project in Santiago the main objectives were, inter alia, to test the concept of "output" (results-based) budgeting, to give greater flexibility to programme managers and to introduce the procedure of reinvesting income from sales of publications and other such material for greater productivity. He indicated that this would be a complex exercise requiring the development of definitions of outputs for discussion and approval by Member States. As indicated in the narrative following table 14 of the report "the Commission has agreed to develop performance measures to better measure its success, to enhance accountability for delivery of programme outputs and to enhance progress on gender balance and other organizational concerns in exchange for getting greater flexibility from Headquarters. In turn, the Executive Secretary will assign greater accountability and delegation within the Commission". In this

connection, the Advisory Committee notes that the Committee of the Whole of ECLAC has adopted a resolution in which it states that while it supports the general thrust of the management pilot scheme, it expects that the scheme would be developed and described in detail in order to be submitted for consideration and approval by Member countries of the Commission before its implementation.

VIII.8. The pilot project at Headquarters in Conference Services, would test how greater flexibility in financial and human resources management could facilitate greater responsiveness and ability to meet demands at short notice. The pilot project in Vienna would test extending the use of charge-backs for common services, the feasibility of moving to true-cost budgeting and more extensive delegation of authority than is currently in place. From responses of the representatives of the Secretary-General, the Advisory Committee understands that the framework for the pilot projects in Conference Services and the United Nations Office at Vienna have not yet been finalized. The Committee was informed that further work on the proposals was on hold pending the establishment of the new Department of General Assembly Affairs and Conference Services and the assumption of duties of the new Director-General for Vienna.

VIII.9. In principle, the Advisory Committee does not object to the concept of pilot projects. However, while the Committee welcomes measures to streamline United Nations operations, to enhance performance and to increase productivity, efficiency and accountability, it is of the opinion that to achieve these goals, there must be transparency and clarity in the measures taken. In the opinion of the Committee, and based on information given during testimony, there are a number of issues that require full examination and clarification.

VIII.10. The Advisory Committee is of the opinion that, if the proposed measures are to succeed, relevant intergovernmental bodies must be fully involved in those proposed changes which would affect existing regulations and procedures, and the changes would have to be implemented over a period of time. There is also a need for intra-Secretariat coordination so as to arrive at a definition of objectives and the formulation of clear procedures to be followed during and after the implementation of the pilot projects. Since the pilot projects referred to above involve elements that would affect existing regulations and procedures, their implementation should take fully into account the requirements of General Assembly resolution 51/221 of 18 December 1996.

VIII.11. With regard to projects that may affect existing regulations and procedures, the Advisory Committee recommends that these be carefully studied, drafted and submitted in a fully transparent manner, as a report of the Secretary-General to the competent bodies, such as the regional economic commission concerned or the Economic and Social Council, and then to the General Assembly through the Advisory Committee. Such a report should contain a clear presentation of the practical modus operandi envisaged, together with the appropriate explanations and justifications on the various related benefits, disadvantages and costs to be expected, as well as precise duration foreseen for its preparation, implementation, evaluation and reporting phases.

VIII.12. With regard specifically to the concept of "charge back", from the information provided, the Advisory Committee was not able to obtain a clear definition of what is meant. On the one hand, it might be envisaged that resources for conference services would be allocated to the users, with the option available to the users to obtain services from either the Office of Conference Services or from outside. In the opinion of the Committee, the effect of such a development on uniform standards and economies of scale in the administration and management of conferences services needs to be evaluated. On

the other hand, the "charge back" concept could be limited to a mere indication of what could be apportioned to users. The Committee points out that this is similar to the concept of apportioned costs. The United Nations attempted to conduct such an exercise starting with the proposed programme budget for 1974-1975, but it was eventually discontinued in the proposed programme budget for 1986-1987. A decision to resurrect this exercise should take into account past experience.

VIII.13. In any case, the Advisory Committee firmly believes that for the procedure of "charge back" to work properly, a computer-based system of cost accounting needs to be in place before such concepts are introduced. The Committee has commented further on budgeting concepts in chapter I of the present report, where it presents recommendations on how to proceed in this area.

VIII.14. The Advisory Committee notes the Secretary-General's statement in document A/51/829 that he has directed that a plan be prepared for presentation to Member States for a reduction of at least one third in the proportion of resources devoted to administration and other non-programme costs in the regular budget to be achieved by the year 2001 and that he would make every attempt to go further. As indicated in document A/51/873, a key goal of the Secretary-General, as part of the overall programme of reform in the United Nations, is to reduce the non-programme costs of the Organization from 38 per cent of its budget to no more than 25 per cent by the year 2001, streamlining administration and suggesting ways in which resources would be reallocated to economic and social programmes. From the narrative following table 5 in document A/51/873, the Advisory Committee notes that the plan to streamline administration would include "a thorough review of all non-programme-related costs, irrespective of budget section, and suggestions to intergovernmental bodies for their decision concerning reallocation of resources to economic and social programmes".

VIII.15. The Advisory Committee exchanged views on this subject with the Under-Secretary-General for Administration and Management. The Committee was informed that an analysis had been undertaken to determine that 38 per cent of the Organization's expenditure was directed to non-programme costs; however, the task force assigned to undertake this review had not yet finalized its report. The Committee was informed that there were seven elements included in this calculation, as indicated on page 26 of document A/51/873.

VIII.16. The Under-Secretary-General confirmed the Secretary-General's intention to reduce non-programme costs of the budget from 38 per cent to 25 per cent and that by the year 2001 it was envisaged that $274 million would be available for an Economic and Social Account for transfer to economic and social activities. The Advisory Committee notes that this intention was reiterated several times in document A/51/873 and that the Secretary-General, subsequently stated that the efficiency dividend would be "at least $200 million for the biennium beginning 2002" (A/51/950, para. 234).

VIII.17. The recommendations of the Advisory Committee on the procedure to be followed concerning proposals to reduce administrative costs from 38 per cent to 25 per cent are contained in chapter I of the present report. In the meantime, the Advisory Committee trusts that all resources appropriated will continue to be allotted fully to programme managers in accordance with existing practice. Further, the Committee recalls the provision of General Assembly resolution 51/221 B, (para. 21), by which it decided that no changes to the budget methodology, established budgetary procedures and practices or the financial regulations could be implemented without prior review and approval of the

General Assembly, through the Advisory Committee, in accordance with budgetary procedures. The recommendations of the Committee on how to proceed with proposals on methodological innovation are contained in chapter I.

Section 27A. Office of the Under-Secretary-General for Administration and Management

VIII.18. The Secretary-General's estimate of $11,678,700 before recosting for section 27A of the proposed programme budget includes a resource reduction of $1,017,200, or 8 per cent, against the revised 1996-1997 estimate of $12,695,900. The reduction is reflected primarily in the programme of work and programme support. The Advisory Committee requested, but was not provided with, a breakdown of the factors contributing to the reduction.

VIII.19. Extrabudgetary resources as shown in table 27A.1 amount to $15,277,700. In this connection, the Advisory Committee was informed that the amount of $1,185,700 indicated for peacekeeping operations would be revised downward to reflect a lower amount approved for the support account as of 1 July 1997.

VIII.20. As indicated in table 27A.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 70, representing a decrease of 9 regular budget posts as compared with the total of 79 posts for the biennium 1996-1997. Of the nine posts proposed to be reduced, one post would be redeployed to section 28, Internal oversight. As indicated in table 27A.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 16. The Advisory Committee notes from the footnote to the table that in addition, one gratis staff member on a non-reimbursable loan at the D-2 level had been contributed for the biennium 1996-1997. Of the eight regular posts proposed to be abolished, the Committee was informed that five were vacant as at July 1997.

VIII.21. The Advisory Committee notes from paragraph 27A.16 that the general temporary assistance requirement of $98,000 would provide for assistance in the processing of cases for the Joint Appeals Board in order to avoid the build-up of a backlog of cases. On further enquiry, the Committee was informed that the backlog related to duty stations other than New York. The Committee enquired about the reasons for the backlog and the measures taken to address it but did not receive any response in that connection.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 27A.1 and 27A.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 27A would be a decrease of 13 posts (3 Professional and 10 General Service) and a decrease of $387,800 from $11,678,700 to $11,290,900.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 27B. Office of Programme Planning, Budget and Accounts

VIII.22. As shown in table 27B.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27B for 1998-1999 amounts to $19,425,200 before recosting, a decrease of $730,900 against the 1996-1997 appropriations. This signifies a negative resource growth of 3.6 per cent.

VIII.23. As shown in table 27B.1, the extrabudgetary resources for the biennium 1998-1999 are estimated at $19,641,700. Thus, the total estimated resources and requirements for the biennium 1998-1999 are indicated at $40,195,100.

VIII.24. As indicated in table 27B.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 112, representing a decrease of 13 regular budget posts as compared with the total of 125 posts for the biennium 1996-1997. Of the 13 regular budget posts proposed to be abolished, the Advisory Committee was informed that 8 posts were vacant as at July 1997. However, as indicated in paragraph 27B.17, one General Service (Other level) post would only be discontinued beginning in 1999 (see chap. I).

VIII.25. The reduction of 13 posts relates to reduction of 1 post in executive direction and management (see table 27B.5), 10 posts in financial accounting and reporting (see table 27B.7) and 2 posts in programme planning and budgeting (see table 27B.9). The Advisory Committee notes from paragraph 27B.17, that of the 10 posts proposed for reduction in the financial accounting and reporting area, 5 relate to the 'self-financing' of the functions of the Income Tax Unit under the Tax Equalization Fund. However, for purposes of transparency, the Committee recommends that posts funded under tax equalization should appear on the staffing table as extrabudgetary.

VIII.26. The Advisory Committee questions the wisdom of reductions in posts in view of the heavy workload and pressure on the Office of the Controller and other sections to meet the deadlines for delivery of reports and other information requested. Furthermore, such abolition and transfers are proposed at a time when systems such as IMIS and the new budget systems are either not functioning fully or have not yet come on line. The Committee trusts that the Under-Secretary-General and the Controller will review the situation.

VIII.27. The Advisory Committee notes that resources for 1998-1999 are proposed for the local area network (LAN) infrastructure and maintenance for support of e-mail, UNIX and the Integrated Management Information System (IMIS). These include $66,400 in executive direction and management, as indicated in paragraph 27B.12 of the proposed programme budget, $222,700 for financial accounting and reporting, as indicated in paragraph 27B.21, and $141,100 for programme planning and budgeting, as shown in paragraph 27B.28. The Committee notes that amounts are included under each section for the LAN mainframe. The Committee was informed that currently there is no well-developed formula for the determination of the amount that each office should contribute to LAN infrastructure maintenance. The Committee recommends that criteria be developed for determination of the LAN infrastructure requirements and costs.

VIII.28. The Advisory Committee notes from paragraph 27B.18 that an amount of $402,300 is proposed for general temporary assistance during 1998-1999 for periods of peak workload as well as support for the implementation of IMIS Release 4. Paragraph 27B.27 indicates a provision of $603,000 for contractual data-processing services to enhance the capacity of the current budget

information system and increase necessary interfaces with IMIS. The Committee was informed that this was mainly to convert data to make it compatible for entry into IMIS. The Committee points out that it was not possible for it to have an overall picture of such expenditures included in other sections of the budget. However, it is the view of the Committee that unless these problems are eliminated, the operation of IMIS will involve a great deal of expenditure over and above what is required for normal maintenance of hardware and software.

VIII.29. The Advisory Committee points out that the interim financial statements ending 31 December 1996 were not available to it at the time of its consideration of the proposed programme budget. The Advisory Committee was informed by the representatives of the Secretary-General of the difficulty faced in 1996 by the Programme Planning and Budget Division owing to the workload generated by the demands placed on it under General Assembly resolutions 50/214 and 50/215, both of 23 December 1995. The Committee was also informed of the continuing difficulties related to implementation of IMIS owing to lack of interaction between the old budget system and the new IMIS system. This was observed in particular in the case of peacekeeping operations and regular budget activities. The field missions of the Field Administration and Logistics Division of the Department of Peacekeeping Operations were using data entry from the old system codes, which then had to be converted using bridges for processing by IMIS.

VIII.30. The Advisory Committee recommends that a review be made of the structure and timing of the financial statements and schedules. The interim financial statements should be available to the Committee by the time it begins consideration of the Secretary-General's proposed programme budget. This is currently not the case. The Committee recommends that the financial statements be simplified and made user-friendly; the review should include the possibility of a reduction in the number of schedules. The Committee is also of the view that the interim financial statements for the current biennium should be available in the first quarter of the budget year of the coming biennium.

Section 27C. Office of Human Resources Management

VIII.31. The Secretary-General's estimate for section 27C amounts to $43,090,300 before recosting and includes a resource growth of $2,308,200 before recosting, i.e. 5.6 per cent over the 1996-1997 appropriations. As indicated in table 27C.1, extrabudgetary resources foreseen for this section in 1997-1998 total $4,234,800.

VIII.32. As indicated in table 27C.3 of the proposed programme budget, the total number of regular budget posts proposed for the biennium 1998-1999 is 165, representing a decrease of 17 regular budget posts as compared with the total of 182 posts for the biennium 1996-1997. This reduced number (6 in the Professional category and 11 in the General Service category) together with the reduction in extrabudgetary posts, represents a 9 per cent decrease in posts as compared to the 1996-1997 level. However, the Advisory Committee notes from paragraph 27C.38 of the proposed programme budget that the abolition of two P-3, one P-2 and three General Service (Other level) regular budget posts is proposed effective 1 January 1999 and not at the start of the biennium. Of the remaining regular budget posts proposed to be abolished, the Committee was informed that 12 posts were vacant as at July 1997.

VIII.33. As indicated in table 27C.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 24, representing a decrease of 4

extrabudgetary posts as compared with the total of 28 posts for the biennium 1996-1997. The Advisory Committee notes that the P-3 post indicated in footnote b to the table to be financed from the support account for peacekeeping operations was not approved by the General Assembly and therefore the total number of posts to be financed from extrabudgetary resources would be 24 posts as compared with 28 posts during the biennium 1996-1997. The Committee was informed that the reduction of at least two of the extrabudgetary posts was due to reduced financing from technical cooperation reimbursement resources. In this connection, the Committee draws attention to its comments above that there is a need to ensure that extrabudgetary resources are charged a fair share of the cost related to the administration and management of these funds.

VIII.34. The Advisory Committee, noting the reduction of resources for the examination and test capacities, doubts whether they are consistent with recruitment needs and policy for the near future. The demographic situation of the Organization, with more than 6,000 retirements within the next 10 years (see A/51/873, table 17) and the policy goal of the Secretary-General to increase geographical and gender distribution within the Secretariat by 1999 (see A/51/950, action 18) seems rather to require a strengthening of these capacities.

VIII.35. With regard to the presentation of section 27C, the Advisory Committee is of the view that the narrative portions are unnecessarily lengthy and verbose. The Committee recommends that in future this section should be more focused, stating clearly the services to be provided by the Office of Human Resources Management and the approach to be taken to provide these services efficiently.

VIII.36. With regard to the structure of the Office of Human Resources Management, the Advisory Committee recalls its comments in paragraph VIII.15 of its first report on the proposed programme budget for 1996-1997.[2] The Committee had expressed the hope that the concept of clusters/teams introduced at that time by the Secretary-General, would be further developed and refined to eliminate a potential duplication of activities and to ensure maximum efficiency in the utilization of the Organization's resources, since the role of the clusters/teams and their interaction and functional responsibilities, as well as lines of reporting, had not been clearly defined.

VIII.37. The Advisory Committee notes the structural changes proposed for the Office as indicated in paragraph 27C.3 of the proposed programme budget. In addition to the functions to be carried out in the immediate Office of the Assistant Secretary-General for Human Resources Management, the Committee notes that other functions would be divided among the Operational Services Division, the Specialist Services Division and the Medical Services Division.

VIII.38. The Advisory Committee notes from paragraph 27C.3 (ii) that within the Operational Services Division, through the addition of human resources planning and management information services and recruitment functions, the clusters have been designed to provide the full range of human resources management to departments and offices. The Committee notes that "clusters and staffing support work with programme managers from the planning through the recruitment, placement, promotion and separation stages resulted in increased delegation of process administration (benefits and allowances) from the Office of Human Resources Management to executive offices and divisions/services of administration and offices away from Headquarters". This would permit increased cluster support in priority human resources management areas such as mobility and career development.

VIII.39. The Advisory Committee notes the services proposed to be provided by the clusters, as indicated in paragraph 27C.37 2 (a) to (f). The Committee requested information on the procedures in place to ensure consistent provision of services to "clients" with more or less identical demands so that there would be no duplication. From the information in the proposed programme budget, it was not possible for the Committee to ascertain the extent to which the Secretariat has addressed its concerns.

VIII.40. As indicated in paragraph 27C.32 of the proposed programme budget, the Advisory Committee notes that "for those departments and offices that hold delegated authority, direct responsibility and accountability with respect to certain human resources management and staff/benefits administration functions, the clusters will provide policy guidance, oversight, monitoring and audit services with a view to ensuring that human resources management policies and rules are applied accurately, consistently and transparently in accordance with General Assembly mandates and guidelines". The Committee also notes the additional information with regard to delegation of authority in paragraphs 27C.32 to 27.36. The Committee requested additional information on the type of authority that is proposed to be delegated, the means by which monitoring of implementation is carried out and the units affected thus far.

VIII.41. The Advisory Committee was informed that the Office of Human Resources Management (OHRM) had delegated to other departments and offices, such as the Field Administration and Logistics Administration of the Department of Peacekeeping Operations, the United Nations Office at Geneva, and the United Nations Office at Vienna certain functions hitherto performed centrally. The Committee was further informed that "authority, responsibility and accountability" would be spelled out in a "contract" between the Under-Secretary-General for Management or the Assistant Secretary-General for Human Resources Management and the recipient of the delegated authority. Contracts would be tailored to each delegation arrangement, reflecting the current and future absorptive capacity of the recipient of the authority to accept the responsibility and workload involved. The Committee was informed that the Office of Internal Oversight Services is evaluating current delegations of authority and will report thereon to the General Assembly.

VIII.42. In this connection, the Advisory Committee emphasizes that for orderly and efficient functioning and for managers to be held accountable for actions under delegated authority, it is absolutely essential to ensure that what is being delegated is clearly spelled out in writing. Each programme manager must be informed in clear language free of vague and ambiguous terminology. It is also essential to ensure that capacity exists in terms of staff resources to carry out the delegated authority. Finally, the monitoring of implementation of delegated authority should be streamlined so as to avoid excessive reporting and other costly bureaucratic processes.

VIII.43. The Advisory Committee had commented extensively on the performance appraisal system in its report on the proposed programme budget for 1996-1997,[2] including the estimated costs associated with the introduction of the system. The Committee is of the view that there is a need to link the performance appraisal system exercise with career development of staff within the Organization. Further comments based on recent developments are contained in chapter I.

VIII.44. The Advisory Committee notes from table 27C.13 of the proposed programme budget that an amount of $2,680,900 before recosting has been estimated for the provision of medical services and that extrabudgetary

resources have been estimated at $2,244,800. The Committee was informed that while the extrabudgetary resources received from UNDP/UNFPA and UNICEF cover the costs of 10 of the 14 posts, they do not cover the cost of medical supplies. The Committee recommends that consultations be held between the United Nations and these funds and programmes with a view to reaching agreement on appropriate rates for reimbursing the United Nations Secretariat for the cost of medical supplies.

VIII.45. The Advisory Committee notes from table 27C.14 of the budget submission that the total number of posts in the Medical Services Division to be financed from regular budget resources is shown as 14, a decrease of 8 posts from the total of 22 in the biennium 1996-1997. As indicated in paragraph 27C.79, of the eight posts, one at the P-3 level and one General Service (Other level) have been abolished, while the other six have been redeployed to other areas of the Department. As explained in paragraph 27C.79, the decrease is the result of the following: outward redeployment of one P-4 and two General Service (one at the Principal level) posts associated with the Staff Counsellor's functions to the Specialist Services Division; outward redeployment of two General Service (Other level) posts associated with the Staff Activities and Housing Unit to the Office of the Assistant Secretary-General; and outward redeployment of one General Service (Other level) post, which carries out functions associated with the Board of Trustees of the United Nations International School to the Office of the Assistant Secretary-General.

VIII.46. The Advisory Committee notes from paragraph 27C.71 that the Medical Services Division is responsible for the health, medical care and welfare of all staff members of the United Nations worldwide, including peacekeeping missions, UNDP/UNFPA and UNICEF. In addition, the Division plays a lead role in system-wide coordination of medical policies and implementation of staff benefits programmes such as the pension fund and medical insurance programmes. The Committee notes from paragraph 27C.78 that technical support will continue to be provided during the biennium 1998-1999 to 50 United Nations field dispensaries, all clinics of the regional commissions and military staff units at the peacekeeping missions. The Committee was informed that the cost of the support is shared with the agencies. In this connection, the Committee reiterates that the adequacy of rates being charged against extrabudgetary resources, including, in this case, medical supplies, should be re-examined. The Committee was informed that the cost of travel by the medical staff is paid for by the agency on whose behalf the travel is undertaken.

VIII.47. The Advisory Committee regrets the lack of uniformity in the presentation of the estimates for medical services in the proposed programme budget. While these estimates appear as a subprogramme under section 27C in New York, they have been identified under grants and contributions in sections 27F, Administration, Geneva, and 27G, Administration, Vienna, of the proposed programme, and in section 16, Economic and social development in Africa, these are shown under extrabudgetary resources, although the Service is run by the United Nations. The Committee recommends that this be reviewed and a consistent treatment be adopted and reflected in the next proposed programme budget.

VIII.48. The Advisory Committee notes from table 27C.12 that an amount of $13,609,300 before recosting has been proposed for contractual services for training and staff development programmes. The Committee recalls that, in connection with the question of contracting out for selected technical functions as one of the components of the new strategy for the management of human resources of the Organization, it had pointed out, in its first report on the proposed programme budget for the biennium 1996-1997, that the budget submission

did not include the scope or criteria for contracting out for selected technical functions and had requested information to clarify the type of technical functions that would be contracted out.[3]

VIII.49. As indicated in table 27C.12, the amount of $13,609,300 represents a resource growth of $3,466,500, denoting an increase of approximately 30 per cent over the resources for the biennium 1996-1997. In this connection, the Advisory Committee recalls that the resource growth for contractual services for training programmes proposed for the biennium 1996-1997 was 7.2 per cent over the 1994-1995 appropriations.[4] The Committee was informed, however, that the resource growth for 1998-1999 would only raise the United Nations investment in staff training from the 1996-1997 level of 0.5 per cent to approximately 0.8 per cent of staff costs and that, by comparison, UNDP and UNICEF devote upwards of 2 per cent to staff development. The Committee points out, however, that from the current budget submission it is difficult to obtain an overall picture of resources required in support of training programmes.

VIII.50. For example, the Advisory Committee points out that the resource requirements of $13,609,300 before recosting as indicated in table 27C.12 are not all-inclusive. The Committee notes the distribution of the amount of $13,609,300 as indicated in paragraph 27C.70. In addition the Committee was informed that language training programmes had been decentralized and that each duty station had its own allocation for this purpose. The total estimate for these activities is $4,087,400 before recosting.

VIII.51. With regard to other costs in support of training programmes, the Advisory Committee notes that included in the total of 57 regular budget posts in table 27C.11 are posts in support of training programmes; distribution of the 57 posts is indicated in paragraph 27C.59. The Advisory Committee was informed that, as indicated in paragraph 27C.3 (b) (iii), the Specialist Services Division has been enhanced through the integration of examinations, staff counselling, career development and management policy and performance management support within the Staff Development and Training Service. Consequently, the total amount of $10,480,500 before recosting shown in table 27C.10 in respect of the overall requirements of the Specialist Services Division includes requirements for posts and other items of expenditure in support of training programmes.

VIII.52. Resources for items such as equipment, supplies and materials, as indicated in paragraph 27G.29 ($11,300) and 27G.30 ($10,800), have not been included in the language training costs for Vienna. Similarly, such requirements, including requirements for furniture and office space in support of training programmes at Headquarters and other duty stations, have not been included in the overall requirements for training programmes.

VIII.53. The Advisory Committee was informed that requirements for some of the recent training programmes for personnel for peacekeeping operations, ranging from Chief Administrative Officers to Junior Administrative Officers, were charged to regular budget resources. The Committee was informed that these requirements had been included under the heading human and financial resources management shown in the following table which was provided to the Committee. In this connection, the Committee recalls that in his report on the support account for peacekeeping operations the Secretary-General had proposed inclusion of an amount of $500,000 for training.

VIII.54. The Advisory Committee requested and received as indicated below some statistical information on the number of staff in training programmes.

Staff development and training programmes

Indicators (number of participants)	1994-1995 (actual)	January 1996-June 1997 (actual)	July 1997-December 1997 (projected)	1998-1999 (proposed)
Leadership and management				
Management development (includes people management training and follow-up)	385	681	379	1 100
General Service effectiveness training			80	1 600
Supervisory skills training		55	80	800
Collaborative negotiation skills		544	120	1 150
Gender training				1 000
Total, leadership and management training	385	1 280	659	5 650
Human and financial resource management	207	175	75	900
Information technology training	11 264	8 341	2 781	16 500
Language and communications training (HQ)				
Arabic	637	659	124	734
Chinese	444	347	68	366
English	1 600	1 085	220	1 442
French	3 304	2 565	542	3 157
Russian	773	624	126	701
Spanish	2 343	1 770	379	2 100
Communications skills training		274	107	570
Total, language training	9 101	7 324	1 566	9 070
Language proficiency	2 197	3 288	1 225	4 418
Substantive skills development and career support				
Orientation courses for new staff members	222	110	35	130
Sabbatical	1	7	6	20
Upgrading substantive knowledge and skills[a]	4 198	1 500	750	3 000
Career support including junior professional development programmes, career planning workshops, job search support, etc.	0	262	200	1 600
Total substantive skills training	4 421	1 879	991	4 750
Grand total	27 575	22 287	7 297	41 288
Performance Appraisal System training	7 717	3 492	[b]	[b]

[a] In 1994-1995, this included a variety of training activities such as project management workshops, training for security personnel, classification workshops, procurement training, etc. Subsequently, it referred only to decentralized programmes for upgrading substantive skills.

[b] See chap. I.

VIII.55. From the above information, the Advisory Committee notes that the actual number of staff trained in 1994-1995 was 27,575. From January 1996 to June 1997 the number was 22,287, the number projected for the period from July to December 1997 is 7,297 and proposed for the biennium 1998-1999 is 41,288. The number of staff to be trained in the coming biennium is expected to almost double, with an estimated 5,560 staff to be trained in leadership and management.

VIII.56. The Advisory Committee is concerned about the lack of information available on the effectiveness of the training programmes, the selection of those to be trained, the qualification of the trainers in a number of fields and follow-up mechanisms to ascertain the performance and progress of those who have been trained.

VIII.57. With regard to language training programmes, the Advisory Committee recalls the views of the General Assembly stated in its resolution 50/11 of 2 November 1995 on multilingualism. In that resolution, the General Assembly stressed the need to ensure adequate human and financial resources for maintaining the teaching at all levels, of the official and working languages of the Secretariat. The Committee trusts that every effort will be made to ensure that language training is geared towards enhancing the use of the official and working languages and the skills of the staff concerned.

VIII.58. In that connection, the Advisory Committee reiterates its request that the Secretary-General ensure that training programmes are cost-effective and that they are designed to address specific problems, the solution to which will enhance the United Nations capacity to deliver its mandated activities.[5] The Committee also requests that in future the Secretary-General include in the programme budget proposal information on the role of training institutions in Member States with a view to assessing the cost-effectiveness of training United Nations personnel in such institutions.

VIII.59. The Advisory Committee recalls that it has called for the evaluation of the training programme in UNFPA. The Committee reviewed the results of that evaluation as contained in document DP/FPA/1997/11 and believes that a similar exercise should be undertaken for the United Nations Secretariat. Accordingly, the Committee recommends that a comprehensive evaluation of all United Nations training programmes be undertaken irrespective of the source of funding. The review should be carried out in the same manner as that carried out for UNFPA and should ascertain the cost-effectiveness, relevance and other pertinent objectives of the training programmes undertaken by the Secretariat. Of particular concern to the Committee is the apparent lack of overall guidelines for the identification of needs for each department, office or programme for which training would enhance skills and increase expertise; the formulation and implementation of training programmes; the identification of trainees; the qualification of trainers; and the assessment of the effect of training, including procedures for follow-up.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 27C.1 and 27.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 27C would be a decrease of four General Service posts and an increase of $2,263,700 from $43,090,300 to $45,354,000.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 27D. Support services

VIII.60. As indicated in table 27D.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27D amounts to $211,221,700 before recosting, a decrease of $18,676,000 against the 1996-1997 appropriations.

VIII.61. The extrabudgetary resources as shown in table 27D.1 are estimated at $16,953,900, resulting in total resources and requirements for 1998-1999 at $239,966,600.

VIII.62. The Advisory Committee notes from table 27D.1 that there is an increase of extrabudgetary resources from $16,675,900 to $16,953,900. However, as indicated in the same table, there is a slight decrease in resources in item (a) (i), Services in support of United Nations organizations, support to extrabudgetary administrative structures, from $5,563,600 in the biennium 1996-1997 to $5,054,400 in the biennium 1998-1999. With regard to extrabudgetary resources for peacekeeping operations, the Committee was informed that the amount of $10,747,600 indicated in table 27D.1 included about $3.6 million for rental of space.

VIII.63. As indicated in table 27D.3, the total number of regular budget posts proposed for the biennium 1998-1999 is 629, representing a decrease of 11 regular budget posts as compared with the total of 640 posts for the biennium 1996-1997. In addition, the Committee notes from the same table that two temporary posts funded under the regular budget during 1996-1997 are proposed to be discontinued in 1998-1999.

VIII.64. As indicated in table 27D.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 74, representing a decrease of 1 extrabudgetary post as compared with the total of 75 posts for the biennium 1996-1997. As indicated in footnote b to the table, of the total number of extrabudgetary posts, 33 posts in support of peacekeeping operations were provided during the biennium 1996-1997. The Advisory Committee understands that there would be no change in this number during the biennium 1998-1999 since no additional posts were requested for this activity. Of the 11 regular posts

proposed to be decreased, the Committee was informed that all 11 posts were vacant during all or part of the biennium 1996-1997.

VIII.65. As indicated in footnote a to the table, five gratis personnel on non-reimbursable loan at the P-3 level were contributed during the biennium 1996-1997, and it was anticipated that the same number and grade of gratis personnel would be contributed in the biennium 1998-1999. The Advisory Committee's views on gratis personnel have been indicated in its report on the subject (A/51/813). In particular, the Committee draws attention to its comments in paragraph 20 of its report on procurement reform (A/51/7/Add.3) concerning the question of gratis personnel involved in procurement activities. The Committee was informed that, although these officers do not have procurement signing authority, they were engaged in such areas as drafting technical specifications, purchasing and operational activities. In this connection, the Committee recalls the provision of General Assembly resolution 51/243 of 15 September 1997 by which the Assembly requested the Secretary-General to phase out expeditiously type II gratis personnel, as well as Action 3 of the Secretary-General's measures and proposals for reform contained in his report on renewing the United Nations: a programme for reform (A/51/950), in which it is stated that a plan will be developed to phase out the use of gratis personnel in the Secretariat at the earliest possible date. The Committee points out that there is a serious potential conflict of interest in such a situation, especially since these officers are not staff members of the United Nations and therefore are not answerable under the regulations and rules of the Organization.

VIII.66. As indicated in paragraph 148 of the introduction to the proposed programme budget, 48 regular budget posts are proposed for abolition in 1998-1999 as a result of increased reliance on outsourcing, discontinuance of functions or as part of efforts to find less costly, alternative working arrangements. The Advisory Committee points out that at its fifty-second session, the General Assembly will consider the report of the Office of Internal Oversight Services on the review of outsourcing practices at the United Nations (A/51/804) in the light of the report of the Joint Inspection Unit on the subject (A/52/338).

VIII.67. However, there is a net decrease of 13 posts proposed for this section of the proposed programme budget. The Advisory Committee notes from paragraph 27D.46 of the proposed programme budget that 29 posts are proposed to be converted from general temporary assistance to established posts, including one post at the D-2 level. The Committee understands that the 29 posts funded through general temporary assistance have not been subject to geographical distribution. In view of the recommendation of the Committee for merging information technology services and IMIS as indicated in paragraph 19 above, the Committee does not recommend conversion of the 29 posts currently against general temporary assistance, nor does it recommend reclassification of the D-1 post to the D-2 level. In addition, as indicated in paragraph 27D.32, eight posts (1 D-1, 1 P-5, 3 P-4; 1 P-3, 1 General Service (Principal level) and 1 General Service (Other level)) related to the Technological Innovations Programme are proposed to be redeployed into this section of the proposed programme budget from Conference Services. As indicated in paragraph 27D.46, two posts (1 P-3 and 1 General Service (Other level)) are proposed to be redeployed to this section from the Office of Programme Planning, Budget and Accounts and one General Service (Principal level) post is proposed to be redeployed from the Office of Human Resources Management. On the other hand, as indicated in paragraph 27D.58, five posts in the General Service category have

been redeployed out of this section to the Office of Programme Planning, Budget and Accounts.

VIII.68. The Advisory Committee notes from the table following paragraph 27D.7 that within the programme of work of this section of the budget, 54.2 per cent of regular budget resources and 36.5 per cent of extrabudgetary budget resources account for buildings management services. However, information technology, combined with estimates for IMIS, account for 25.2 per cent of regular budget resources and 14.8 per cent of extrabudgetary resources. Moreover, resources devoted to information technology are also included in every other section of the proposed programme budget.

VIII.69. The Advisory Committee notes from table 27D.3 that nine Security Services posts have been indicated for the biennium 1996-1997 and for the biennium 1998-1999 against extrabudgetary resources. The Committee was informed that the continuation of the nine posts results from negotiations with UNDP, UNICEF and UNFPA on the cost of services provided by the United Nations. In this connection, the Committee reiterates the need for a joint review by UNICEF, UNDP, and UNFPA as to the reimbursement to the United Nations for services. The Committee has recommended that the agreed rates, including the basis for the proposal, be submitted to it for scrutiny prior to implementation.

VIII.70. The Advisory Committee notes the proposed abolition of five Security Officer posts, as indicated in paragraph 27D.18 of the proposed programme budget. The Committee questions the rationale for this reduction, especially in view of the Secretary-General's statement in paragraphs 27D.19 and 27D.23 that the Organization continues to be faced with increased threat levels and heightened security risks. The Committee also notes the request for overtime of $2,816,500 for security services. The Committee points out that it is not always cost-effective to have Security Officers work for extended periods of overtime. However, the representatives of the Secretary-General informed the Committee that the reduction in posts would be made in areas where it would not affect the overall security situation. In this connection, the Committee recalls its comments in its first report on the proposed programme budget for the biennium 1996-1997[6] that the Committee had consistently pointed to the need for efficient management of overtime funds for security. The Committee was informed that, in an effort to control overtime without compromising security and safety needs, the Security and Safety Service had been implementing measures such as reduction of non-essential posts, maintaining the 40-hour overtime limit per officer, per month, subject to personnel resources; pre-approval of all overtime by the Inspector of the Security and Safety Service; final approval of all overtime by the Office of the Chief of Security; minimizing overtime hours incurred, notwithstanding a 10 per cent reduction in staff; and minimum security staffing of unscheduled high-level visits and events.

VIII.71. The Advisory Committee notes from table 27D.2 of the proposed programme budget that an amount of $9,667,200 before recosting has been estimated for contractual services for the biennium 1998-1999. The Committee requested a breakdown of this amount and was provided with the following:

Support services

Contractual services (breakdown)

(Thousands of United States dollars)

External printing of various forms related to security and safety, communications, building management and mail operations, and procurement and transportation (e.g., travel authorizations, visa and processing forms, laissez passers)	148.1
Proprietary software rental related to help-desk tracking system and software support and license agreements related to IMIS	1 010.6
Specialized database acquisition and rental, including access to external databases, and for administration of centrally managed services	250.9
Continued systems design and development of enterprise-wide systems and applications (e.g., e-mail, news services, video conferencing etc.)	283.7
Conference engineers (sound)	7 642.0
Specialized services related to the outsourcing of certain archival processing, commercial storage and imaging services	331.9
Total	9 667.2

VIII.72. On external printing of forms, the Advisory Committee requests that internal printing capacity be used to the maximum extent possible. On the question of outsourcing, the Committee reiterates the need to establish criteria to determine services to be contracted out. The Committee also recalls the comments of the Office of Internal Oversight Services in its report (A/51/804) on the need to conduct a cost benefit study on the subject.

VIII.73. The Advisory Committee once again discussed with the representatives of the Secretary-General the question of the rates of reimbursement of the cost incurred by the regular budget in support of extrabudgetary activities. In this connection, the Committee recalls that in its first report on the programme budget for the biennium 1990-1991,[7] it had recommended that a system be devised to establish a fair share of reimbursing the cost of accommodation for posts related to extrabudgetary activities. The Committee reiterated its recommendation in its first report on the proposed programme budget for the biennium 1996-1997.[8]

VIII.74. The Advisory Committee was informed that a comprehensive agreement was under discussion between UNDP, UNFPA, UNICEF and the United Nations to cover all services being provided. The Committee requested details on this as well as a breakdown of costs incurred for rental of office space related to posts assigned to technical cooperation and other activities funded by extrabudgetary resources.

Information technology services and the Integrated Management Information System

VIII.75. The Advisory Committee notes from table 27D.9 of the proposed programme budget that an amount of $42,857,500 before recosting has been requested for information technology services for the biennium 1998-1999; extrabudgetary resources as shown in table 27D.9 amount to $2,524,200. As can be seen from table 27D.11, an amount of $9,237,000 before recosting has been requested for the support and maintenance of IMIS; no extrabudgetary resources have been indicated. The cost of the project will be indicated in a separate report to the General Assembly. The total estimate for information technology services and IMIS is therefore $52,094,500 under the proposed programme budget, or 25.2 per cent of the total resources requested for section 27D of the proposed programme budget.

VIII.76. With regard to the number of posts, the Advisory Committee notes from table 27D.10, that 99 posts, including 13 posts funded from extrabudgetary resources have been requested for information technology services. As indicated in paragraph 27D.32, an amount of $13,171,800 relates to salaries and common staff costs in respect of the 86 regular budget posts indicated in table 27D.10 of the proposed programme budget. For the biennium 1996-1997, a total of 88 regular budget posts had been approved. The total of 86 posts for the biennium 1998-1999 takes into account the proposed redeployment of 8 posts from Conference Services related to the Technological Innovations Programme, the redeployment of two P-2 posts to IMIS and the proposed abolition of five General Service (Other level) posts and 3 Trades and Crafts posts. The proposed structure of the Information Technology Services Division for 1998-1999 would include one D-2 and three D-1 posts.

VIII.77. As indicated in paragraph 27D.46 of the proposed programme budget, resources amounting to $6,531,600 have been requested for IMIS to provide for 29 posts to be converted from general temporary assistance. In addition, the resources would cover one P-3 and one General Service (Other level) posts redeployed from the Office of Programme Planning, Budget and Accounts; two P-2 posts redeployed from the Information Technology Services Division and one General Service (Principal level) redeployed from the Office of Human Resources Management for a total of 34 posts.

VIII.78. As indicated in paragraph 27D.46, the level of the Chief of Service of IMIS is proposed at the D-2 level rather than the D-1 originally indicated for the IMIS central maintenance structure in the seventh report of the Secretary-General on IMIS. In this regard, the Advisory Committee notes that the proposed structure in support of IMIS would include a D-2 and a D-1 post, resulting in a top tier of six high-level posts in information technology services and IMIS (2 D-2 and 4 D-1) posts. The Committee recommends that IMIS and information technology services be reviewed with a view to establishing one organizational unit. The Committee is of the view that a combination of the two subprogrammes should enhance coherence in policy formulation, streamline activities and improve coordination. Furthermore, the Committee is recommending the establishment of an Information Technology Task Force. Pending the results of the review and the proposals of the Task Force, the Advisory Committee recommends the postponement of the proposed reclassification of the D-1 post to the D-2 level.

VIII.79. The Advisory Committee is of the view that, taking into account the end of the development phase of IMIS, IMIS functions should be combined with those of information technology services. In this connection, the Committee notes that the Secretary-General in paragraph 154 of his report on the work of

the Organization[1] has said that a strategic plan for technology has been devised and put in place. The Committee did not find an indication of this in the proposed programme budget.

Information technology services

VIII.80. The Advisory Committee requests that the Secretary-General ensure that well-qualified individuals are assigned to this important sector of the Organization and, to this end, requests that a thorough review be undertaken of the level of expertise of personnel providing services in this area of operations. The Committee requests that this matter be assessed by the Task Force recommended in paragraph VIII.96 below.

VIII.81. The Advisory Committee notes that information in paragraphs 27D.24 to 27D.29 of the proposed programme budget is largely confined to describing unit functions. Extensive emphasis is given to describing the functions of the various units rather than projects and activities to be undertaken. The information supplied upon enquiry also appears to be too general and without an indication of problems that these projects are meant to address.

VIII.82. With regard to upgrading of equipment and infrastructure related to information technology services, the Advisory Committee was informed that it was estimated that an amount of $11.35 million would be required for this purpose.

VIII.83. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997,[9] it had commented on the long-term policy implications of the growing introduction of personal computers and local area networks (LANs) in the Organization and the decreasing dependence on mainframe computing. The Committee understands that a review has been undertaken and, as a result, as indicated in paragraph 27D.37 (b) of the proposed programme budget, the leased mainframe computer at the New York Computing Centre is being returned to IBM and all central computing data-processing will be performed by 53 medium-sized computers supporting central applications.

VIII.84. The Advisory Committee notes from paragraph 27D.41 that an amount of $2,644,600 has been requested for the estimated cost of International Computing Centre (ICC) mainframe services under the estimates for grants and contributions.

VIII.85. The Advisory Committee was informed that with increased use of such systems as IMIS and other applications, in the long run, the use of mainframe computers will be reduced. It was informed, for example, that with the introduction of IMIS the payroll function in New York does not require ICC support any longer, whereas in Geneva, ICC will be depended on until such time as IMIS Release 4 is installed.

VIII.86. The Advisory Committee was also informed that with the ICC option, of the 13 posts previously needed for mainframe support, only 3 would be required. Non-post savings could also be achieved based on the ability of ICC to realize economies of scale for hardware resources and system software licenses, to offer shared printing resources and to eliminate the need in New York for existing contractor services.

VIII.87. The Advisory Committee recalls that, as noted in its first report on the programme budget for the biennium 1996-1997,[10] an amount of $6,476,300 had been proposed for rental and maintenance of the mainframe computer used by the

New York Computer Section for 1996-1997. For the biennium 1998-1999, in addition to the amount of $2,644,600 representing the cost of ICC mainframe services (indicated in para. 27D.41 of the proposed programme budget), an amount of $5,239,000 is shown in paragraph 27D.37 (b) to provide for various computing needs. The Committee was not able to pinpoint the extent to which savings had been achieved, since the total estimated requirements in 1998-1999 would be $7.9 million, which is greater than the $6.5 million estimate for 1996-1997.

VIII.88. The Advisory Committee was informed (see also the performance indicators following paragraph 27D.31 of the proposed programme budget) that help desk calls have increased from 28,546 in 1994-1995 to an estimated 40,000 for 1998-1999. The Advisory Committee also notes that the network connections (installations related to LAN connectivity), which numbered 3,096 in 1994-1995, rose to 5,000 in 1996-1997 and are expected to remain at that high level in 1998-1999. However, with the increase in IMIS usage, the volume of traffic has steadily increased since the start of the IMIS operation in 1993 and user demand will also increase.

VIII.89. The Advisory Committee was informed that the help desk service is currently staffed by one Professional and six General Service staff; the number of General Service posts is to be increased to eight at the request of the ICC, which has taken over the responsibility. The Committee questions the effectiveness of having ICC provide help desk staffing services; this should not be the function of ICC.

VIII.90. The Advisory Committee was informed that the industry standard for help desk services is one service person per 150 personal computers. As such, for the current number of personal computers connected to the LAN, 33 positions would be required for the help desk, which also provides services to the Permanent Missions, 183 of which are connected to the Headquarters LAN. Furthermore, as indicated in the report of the Secretary-General on international cooperation in the field of informatics,[11] similar support services previously performed by UNDP for the Permanent and Observer Missions will be assumed by the United Nations Secretariat.

VIII.91. The experience of the Committee is that this area has heretofore been given very low priority, adversely affecting productivity and the efficient operation of a large number of United Nations activities. The Committee therefore recommends that a thorough review be made of the current arrangements for the provision of user support throughout the Secretariat.

VIII.92. The Advisory Committee was informed that the Technological Innovations Board has been replaced by an Information Technology Coordinating Committee (ITCC). The Committee requested information on the terms of reference and composition of ITCC and was informed that the focus of the new terms of reference of the ITCC includes a mandate to develop strategy for the application and standardization of information technology in the United Nations, to gain consensus on development priorities within existing resources and to collaborate on Organization-wide planning for information technology systems.

VIII.93. The Advisory Committee trusts that ITCC will be able to introduce orderly development of new information systems, introduce guidelines for standards on hardware and software and prevent what appears to be a piecemeal approach resulting in the development of incompatible computer systems and the acquisition of different software, even for the same application. For example, different software is now being used at Headquarters and at duty stations away from Headquarters. The concurrent use of such software as Wordperfect,

Microsoft Word, Power Point and Excel makes it difficult for users to share information without using a series of conversion applications. The applications used in Geneva for example are different from New York.

VIII.94. Based on the testimony of the representatives of the Secretary-General, the Advisory Committee is convinced that there does not appear to be comprehensive knowledge of the state of technology at the United Nations. In this connection, the Committee recommends that information on the extent of use of new technology in United Nations operations, including information on the related investment in infrastructure, hardware and software, be submitted to the Committee in the context of future proposed programme and peacekeeping budgets.

VIII.95. The Advisory Committee recalls that in its report (A/50/7/Add.16) it had noted the absence of a long-term coordinated strategy to achieve greater efficiency and effectiveness in United Nations operations through technological innovation. It had recommended that such a strategy be developed as a matter of urgency and that a time-frame for the coordinated implementation of the various initiatives now under way be submitted in the context of the Secretary-General's proposed programme budget for the biennium 1998-1999.

VIII.96. Furthermore, in view of the growing importance of new technology in United Nations operations, the Advisory Committee believes that it is urgent for the Secretary-General to establish a long-term plan for technological development in the United Nations Secretariat throughout the system. In this connection, the Committee recalls that the Organizational Committee of the Administrative Committee on Coordination expressed strong support for the proposal to create a United Nations system-wide Intranet (Internet for internal use) as a means to facilitate the effective integration of the competencies of all concerned United Nations organizations in support of country-level action.[12] In the same context, the members of the Organizational Committee shared the view that there was an urgent need for a strategic and systematic approach to information and communication technologies and information management that would ensure compatibility, accessibility and convergence of communications and computer-based systems among the organizations of the system. To this end, the Advisory Committee recommends that the Secretary-General appoint an information technology task force, composed of qualified experts, to review the state and technological development in the United Nations Secretariat and to recommend a long-term strategy and plan of action, taking into account the information technology strategy for New York Headquarters and offices away from Headquarters that is in the process of being finalized for adoption.

VIII.97. The Advisory Committee requested information on the number and type of contracts now operating at Headquarters for the maintenance of information technology infrastructure, hardware and software. It was provided with the following information:

Maintenance and support contracts: costs for the biennium 1998-1999

(United States dollars)

Description	Vendor	Cost	Status
In computer technology			
UNIX Computers	Hewlett Packard	486 000	In place
LAN servers	To be selected	280 000	Projected
Sybase	Sybase	22 000	In place
TCP/IP software	FTP Software	10 000	In place
Lotus cc:mail	Lotus Development Corp.	40 900	In place
Internet T1 line	UUNET	75 000	In place and projected
ODS support - hardware/software	DECAN	1 896 000	In place
PC hardware support	To be selected	1 100 000	Projected
Printers	XEROX	50 000	In place
	IBM	50 000	In place
Total		4 009 900	
In telecommunications			
Cabletron hubs	Cabletron Inc.	900 000	Projected
Cisco routers	Cisco Systems	55 500	In place
PABX telephone system	INTECOM	1 298 822	In place
Telephone billing software	Telco Research	48 127	In place
Telephone billing hardware	DEC	33 204	In place
Facsimile	IKON, Future Tech., Cannon	16 550	In place
Packet switching network	Ericsson	70 922	In place
FAX-message switch	DEC	326 976	In place
Voicemail	Voiceware Systems	10 000	In place
Total		2 760 101	
Grand total		6 770 001	

VIII.98. The Advisory Committee recommends that maintenance and user support services be provided on a contractual basis; that management consider the option of having the contract staff based in-house to be available on call; that the contract service be available not only to the United Nations Secretariat but to the funds and programmes based in New York; that procedures be in place for qualified United Nations staff to be available to ensure quality of service, taking full advantage of the free on-line services provided by the hardware and software vendors; and that payment should be released only upon certification that delivery of service has been made to the satisfaction of the United Nations. There should also be a mechanism by which complaints regarding poor service are recorded and used in evaluation of contractors' performance.

VIII.99. The Advisory Committee notes from paragraph 27D.38 of the proposed programme budget that an estimate of $12,491,700 for communications would cover

areas such as voice services, including the Headquarters, private branch exchange (PBX) and local telephone services; messaging services, including e-mail and central facsimile switching; data communications, including LAN infrastructure; video-conferencing and special services; secure communications; and leased lines for the United Nations global network. A breakdown of the total amount of $12,491,700 is given in paragraphs 27D.38 (a) to (e). In view of the rapid developments in communications technology, the Committee requests that vigorous efforts continue to be made to obtain services at the most advantageous rates and to achieve savings as envisaged in paragraph 27D.38 (b). In this connection, the Committee welcomes the intention to reduce telecommunications expenditures by exploring cooperative traffic-sharing arrangements with other United Nations organizations.

VIII.100. The Advisory Committee recalls that in its first report on the proposed programme budget for 1996-1997,[13] it had noted that a provision of $3,262,200 had been proposed for rental of alternate voice/data (AVD) circuits mainly as back-up communication links between New York and the United Nations overseas offices. The Committee had recommended that the Secretary-General review the long-term need for those lines, taking into account the decisions of the General Assembly at its fiftieth session on the United Nations telecommunications network.

VIII.101. The Advisory Committee was informed that in the context of a procurement action those AVD lines (which have become obsolete) would be replaced by high-speed digital links to offices away from Headquarters. In some cases where a commercial carrier could not provide the necessary services to a particular duty station (or the links were prohibitively expensive), the United Nations would set up a satellite-based connection using capacity procured under special arrangement with INTELSAT.

VIII.102. The Advisory Committee notes the indication in paragraph 27D.38 (b) of the proposed programme budget that significant changes in the telecommunications market were expected to yield reductions in the cost of long-distance voice, facsimile and data communications services, and, further, that arrangements for lease-lines (tie-lines) to offices away from Headquarters, as well as those for other global destinations reached via commercial carriers, would be subject to competitive bidding and recosted regularly as rates continued to change. It was also proposed to explore cooperative traffic-sharing arrangements with other United Nations agencies in an effort to reduce telecommunications expenditure. Notwithstanding this information, the Committee notes from the same paragraph that an amount of $3,538,600 has been requested for the biennium 1998-1999 for the rental of AVD circuits. The Committee trusts that vigorous efforts will be made to ensure maximum efficiency in services provided to the United Nations in conjunction with similar efforts to ensure cost-effectiveness.

VIII.103. The Advisory Committee recommends that economies on savings achieved under this section of the proposed programme budget be used to invest in new emerging modalities such as video conferencing and remote translation and interpretation.

VIII.104. The Advisory Committee recalls that in his report on telecommunications in the United Nations, the Secretary-General stated that he intended to pursue the integration of the present United Nations global network with the Mercure network which was due to go into its initial phase of operation during 1997 as part of UNEP. As stated in the report, because the Mercure network provided links to destinations, some of which were also Secretariat

sites, some economies of operation could be achieved if the two networks could be interconnected; before this could take place, however, some technical obstacles needed to be resolved (A/C.5/51/46, para. 27). On enquiry, the Committee was informed that ITU had been requested to assess the feasibility of integrating the two networks. The Committee notes that information on the Mercure project has not been included in the proposed programme budget. The Committee requested additional information on the subject, including the cost of the feasibility study, but did not receive a response.

Integrated Management Information System

VIII.105. Total resources for IMIS are not easy to identify in the proposed programme budget. On enquiry, the Advisory Committee was informed that the following sections of the proposed programme budget for 1998-1999 contain references to IMIS and imply additional resources:

Budget section	Additional requirements (United States dollars)
Section 27B, Office of Programme Planning, Budget and Accounts	
Paragraph 27B.17	100 000
Section 27D, Support services	
Paragraph 27D.33 (b)	845 100[a]
Section 27F, Administration, Geneva	
Paragraph 27F.17	18 600

[a] Not related specifically to IMIS, as resources are already required for the 24-hour LAN service.

VIII.106. Although IMIS project costs in the main could be said to include three different types of expenditure, i.e., construction, implementation and maintenance, the Advisory Committee believes that there are costs incurred by other organizational units other than those mentioned above for various IMIS-related activities.

VIII.107. The Advisory Committee was informed that at the introduction of IMIS Release 3, more than 1,100 staff had been trained, more than 400 users on average were accessing the system on a daily basis and between 9,000 and 13,000 transactions were performed on a daily basis. The Advisory Committee welcomes these data, but requests that vigorous training of staff, including managers, in the use of IMIS and other information technology be provided; in fact, it should be the United Nations policy that all staff should be computer literate, at least in their area of expertise.

VIII.108. The Advisory Committee notes the statement in paragraph 27D.44 of the proposed programme budget that since 1996, IMIS has become the most important application of the Organization and of a series of other organizations of the United Nations system such as UNDP, UNICEF, UNHCR and ILO. However, on enquiry, the Committee was informed that these entities were only using the human resources module at this time and had not yet decided whether to use the financial module of IMIS. UNHCR had, in fact, not begun to use either module. The Advisory Committee also notes the statement in the same paragraph that by

the end of 1997 all Secretariat duty stations and many peacekeeping missions would rely on IMIS for most of their administrative work, human and financial resource planning, decision-making processes and reporting to Member States. From the testimony presented to the Committee by representatives of the Secretary-General during its consideration of various sections of the proposed programme budget, the Committee doubts whether all this would indeed be accomplished by the end of 1997.

VIII.109. The Advisory Committee notes from paragraph 3.32 (b) (ii) of the proposed programme budget that the Department of Peacekeeping Operations plans to design and develop automated personnel systems, with appropriate interface with IMIS, to maintain and monitor staffing tables and related data and vacancy statistics for field missions.

VIII.110. As indicated in paragraph 27D.29 of the proposed programme budget, the optical disk project was transferred to this section of the proposed programme budget on the recommendation of the Advisory Committee, with a view to strengthening the capacity of the Secretariat to provide guidance in the field of information technology as it relates to the distribution, access and storage of parliamentary documentation. The long-term goal of this system is to establish a more economical and secure means of distributing and storing parliamentary documentation and to provide timely access to such documentation in electronic form on a system-wide basis to all offices of the United Nations, Permanent Missions to the United Nations, governmental offices and other users as appropriate. The objectives of the optical disk system (ODS) are to increase the speed and reduce the costs of worldwide distribution, provide more economical and secure means of storage, facilitate reference to these documents by users worldwide and provide a central repository of electronic documents. The Advisory Committee believes that steps should be taken to accelerate the realization of those important goals and objectives, since success would have far-reaching implications for the United Nations in terms of reduction of costs for paper, printing and storage and would facilitate considerably user access to United Nations documents. In this connection, the Committee notes that the General Assembly, in its resolution 51/211 F of 15 September, encouraged the Secretary-General to develop a policy for the further expansion of the optical disk system of the United Nations, including provisions for making it available on a fee-for-services basis to any interested party, with some exceptions, such as for Member States.

VIII.111. The Advisory Committee was informed that ODS was in its fifth year of full operation and provided for electronic archiving and distribution of parliamentary documents in all six official languages. The Committee has recommended that the possibility of archiving United Nations records and documents in addition to parliamentary documents should be explored. The Committee was provided with statistics that indicated that as of January 1997, 65,196 documents had been stored on the ODS. All documents issued from 1992 onwards in Geneva and New York were available on the system, and during the biennium 1998-1999, documents issued in Vienna and the regional commissions, as well as reports related to special conferences around the world, were expected to be available on the system. Access to ODS via the Internet was achieved in October 1996 and the sale of subscriptions for accessing ODS has started as a joint project with the Sales and Marketing Section. During 1997, CD-ROM products which would contain documents and indexing information for ODS would also be made available to Member States and the general public; a production facility for CD-ROMs from ODS has been installed at the United Nations Office at Geneva.

VIII.112. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997,[14] the Committee had recommended that the Secretary-General pursue expeditiously, efforts to allow outside users access to United Nations databases such as Gopher and Web server for a reasonable fee and that complete information in this regard be presented to the Committee in the proposed programme budget for the biennium 1998-1999. The Committee notes that information as requested has not been included in the proposed programme budget for the biennium 1998-1999, although, as indicated in paragraph VIII.111 above, the sale of subscriptions for accessing ODS had started.

VIII.113. With regard to fees paid by the United Nations for access to external databases, the Advisory Committee was informed that currently there was no set policy regarding such access. Some services such as Internet are rented centrally and made available to the various departments, while in other cases, each department chooses it own provider. That being the case, the Advisory Committee believes that there is an urgent need to establish a central policy for access to external databases as well as the establishment of control measures for monitoring of usage. Furthermore, the Committee reiterates its previous view that greater efforts should be made to explore the possibility of generating income through the sale of access to United Nations databases.

Procurement

VIII.114. The Advisory Committee notes from table 27D.13 of the proposed programme budget for the biennium 1998-1999 that an amount of $13,571,800 before recosting has been requested for procurement and transportation activities. Total extrabudgetary resources as shown in the table amount to $7,106,200.

VIII.115. As indicated in table 27D.14, the total number of posts to be funded under the regular budget are 84 for the biennium 1998-1999 as compared with 95 for the biennium 1996-1997. Extrabudgetary posts, at 40, remain the same as in 1996-1997; 31 of these are funded by the support account for peacekeeping operations.

VIII.116. The Advisory Committee notes from footnote a to the table that five gratis personnel on non-reimbursable loan have been contributed at the P-3 level for the biennium 1996-1997 and that it was anticipated that this would continue in 1998-1999 at the same number and grade of personnel. The Committee's views on gratis personnel in the Organization are set out in its report on the subject (A/51/813). The Committee strongly believes that the use of gratis personnel in areas such as procurement should be avoided. In this instance, there seems to be little justification or rationale to abolish established posts while continuing to use the services of gratis personnel. The Committee notes that the five posts slated for abolition include one post at the P-2 level, two General Service (Other level) posts and two Trades and Crafts posts. The Committee was informed by the representatives of the Secretary-General that procurement services had to contribute towards the post reduction exercise. The Committee considers this to be arbitrary.

VIII.117. The Advisory Committee notes from paragraph 27D.58 of the proposed programme budget that the provision for posts would include the proposed reclassification of a D-1 level post to D-2 in order to provide the appropriate level of executive direction and management within the Division. In this connection, the Committee recalls its comments in its first report on the proposed programme budget for the biennium 1996-1997,[15] as well as its comments

in its report on procurement reform in the United Nations Secretariat (A/50/7/Add.13, para. 6).

VIII.118. The Advisory Committee recalls that in its report,[16] the Board of Auditors noted that the United Nations rarely made use of open advertising and that almost universally bids/proposals were obtained through limited invitation from short-listed vendors. In its report on procurement reform (A/50/7/Add.13), the Committee provided information it had received as to the ongoing practice and the reasons for it; the Committee had been informed that owing to budgetary constraints the Procurement and Transportation Division rarely used open advertising but that it relied more and more on the use of electronic bulletin boards and on computer information networks (Internet).

VIII.119. The Advisory Committee notes that in the proposed programme budget for the biennium 1998-1999, the requirements for advertising have not been indicated. On enquiry, the Committee was informed that included in the requirements for supplies and materials as indicated in paragraph 27D.64 of the proposed programme budget, were resources amounting to approximately $50,000 for the biennium for advertising in print as well as in electronic media. The Committee believes that this amount is insufficient given the need to reach a wider geographical area for procurement of United Nations requirements, including the developing countries.

Buildings Management Service

VIII.120. While the staff and related costs of the Buildings Management Service are reflected under this section of the proposed programme budget, requirements relating to capital expenditures are requested under section 31 of the proposed programme budget. The activities to be undertaken by the Buildings Management Service during the biennium 1998-1999 have been shown in paragraph 27D.69 of the proposed programme budget, with significant performance indicators also provided.

VIII.121. With regard to rental of premises, the Advisory Committee notes from paragraph 27D.73 (a) (i) that an amount of $22,474,700 has been estimated for rental of premises in New York. The Committee requested, and was provided with the following breakdown of the estimates:

Support services: 1998-1999 requirements for rental of premises

Premises	Lease status	Gross area (sq. feet)	Base rent (US$)	Variable element	Total rate per sq. foot	Cost per year	Cost for the biennium
One and Two United Nations Plaza[a]	25-year lease under negotiation	476 322	22.00	1.00	23.00	10 955 406	21 910 812
United Nations Plaza storage	Expires on 30 June 1998	8 000	10.00	1.00	11.00	88 000	176 000
Park Avenue South archives	Expires on 30 July 2000	37 500	3.00	7.52	10.52	394 500	789 000
FF Building	Expires on 30 April 2007	49 000	20.00	6.42	26.42	1 294 384	2 588 768
JFK Airport office (pouch)	Month-to-month lease	200	25.20		25.20	5 040	10 080
Total		571 022				12 737 330	25 474 660
Less anticipated extrabudgetary funding[b]							(3 000 000)
Total 1998-1999 requirements (rounded)[c]							22 474 700

[a] Under the contract under negotiation, the DC-I and II lease would be combined into one lease agreement at the rates indicated for base and escalation. The porter wage escalation previously included as a variable element would be eliminated.

[b] Extrabudgetary funding for the biennium projected in the amount of $2,200,000 from the support account for peacekeeping operations and $800,000 from the support account for technical cooperation activities.

[c] Before recosting for variable elements.

VIII.122. From the information provided, the Advisory Committee notes that space has been rented in the FF Building (304 East 45th Street) at a total cost of $2,588,768 for the biennium 1998-1999. With regard to the FF Building, the Committee recalls its comments in its first report on the programme budget for the biennium 1996-1997.[17]

VIII.123. The Advisory Committee recalls that in its first report on the programme budget for the biennium 1996-1997,[18] it had requested the Secretary-General to survey the terms of agreements under which the press and other entities occupied space in United Nations-owned/rented buildings free of charge or at less than commercial rates, with a view to considering the possibility of charging appropriate rent for such space. There is no evidence that this recommendation has been implemented.

Archives and records management

VIII.124. With regard to archives and records management, the Advisory Committee notes from table 27D.17 of the proposed programme budget that an amount of $3,346,800 before recosting has been requested. The Committee notes from table 27D.18 that four posts at the General Service level have been proposed for abolition as a result of gains in productivity from the use of information technology and through increased outsourcing of archival processing activities, as indicated in paragraph 27D.79.

VIII.125. In this connection, the Advisory Committee recalls its recommendation in its first report on the proposed programme budget for the biennium 1996-1997[19] that efforts be made to develop a long-term policy on archives and records management in the United Nations which should take full account of the current and future needs of the Organization, including those relating to peacekeeping operations and bearing in mind the advantages resulting from the Organization's investment in new technology.

VIII.126. The Advisory Committee was informed that over the last five years, the archives and records management programme has undergone considerable change in the nature of the work and in work processes. This has required the development of new techniques, procedures and skills and has entailed the reallocation of resources. An important feature of the medium-term plan for the Archives and Records Management Section was the integration of the Section with the Organization's information system. In 1994-1995, an information plan was developed by the Section with the assistance of a consulting firm. The plan charted changes in the Section's mission and programme that were necessary for achieving the programme set out in the medium-term plan, meeting the challenges of electronic records and increasing the efficiency of Section operations. A number of specific elements of the plan have been carried out. The Section acquired equipment necessary to integrate with the United Nations Secretariat LAN and selected software to replace the Section's obsolete database. In accordance with requirements of the information plan, the new software (TRIM) has additional functionality to provide modern records management and information retrieval for electronic and paper records in Secretariat offices. Since early 1997, the software has been applied to the Section's archives storage and retrieval database and its central files. Pilot projects for utilization of the software in Secretariat offices are in their early stages. The collaboration of the Section with the Electronic Document Management Section in the Information Technology Services Division includes areas of common interest in electronic document management and correspondence tracking systems. The Archives and Records Management Section is also expanding its expertise in information technology for specific application to record-keeping systems, such

as imaging. Another area of increased activity has been in the external research use of security classified archival documents.

VIII.127. The Advisory Committee believes that these measures do not satisfactorily address the specific long-term needs of the Organization nor does the information clearly indicate the long-term implications of such measures as separate services for archives and records.

VIII.128. The Advisory Committee requests that the possibility of extending the use of the optical disc system beyond access and storage of parliamentary documentation to archival and records storage be explored. The Committee also requests that it be given information on the relationship between the work being done in the Library under the Department of Public Information, where electronic storage is also advancing rapidly and the work being done by the Archives and Records Management Section. Implementation of existing policies and procedures on archives is not going forward owing to lack of adequate resources and the low priority accorded this activity.

VIII.129. The Advisory Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that savings of $130,000 would be achieved by reducing hours and points of access to the United Nations garage and hours for outside deliveries; by implementation of energy-saving measures in the plant engineering section $100,000 was saved in 1996 and $150,000 has been projected in savings for 1997. The Committee also notes that by consolidating United Nations mainframe operations in Geneva as of April 1997, savings of at least $1.2 million would be achieved per year. However, the Committee points out that there is no way to trace any of the above-mentioned efficiency gains to the proposed programme budget for the biennium 1998-1999, nor were the representatives of the Secretary-General able to provide additional information in this regard.

Report of the Secretary-General on United Nations reform: measures and proposals (A/52/303)

The above report was issued subsequent to the Advisory Committee's consideration of its draft report on the proposed programme budget for the biennium 1998-1999.

As shown in tables 27D.1 and 27D.2 of that report, the financial consequences of the Secretary-General's actions and recommendations relating to section 27D would be a decrease of four posts (1 Professional and 3 General Service and Trades and Crafts) and an increase of $116,828,000 from $211,221,700 to $222,904,500.

At the time of the Advisory Committee's consideration of its draft report, a decision still had not been reached on how the Secretary-General's reform proposals would be dealt with in the General Assembly. The Committee will therefore revert to consideration of document A/52/303 in due course.

Section 27E. Conference services

VIII.130. As indicated in table 27E.1 of the proposed programme budget, the overall level of resources before recosting for section 27E of the budget is as follows: in New York for conference services, $228,483,300; in Geneva for conference and library services, $170,369,700; and in Vienna for conference and library services, $32,646,100. Thus, the overall level of resources proposed for the biennium 1998-1999 amounts to $431,499,100 before recosting, reflecting a reduction of $27,764,100 (6 per cent), compared with the revised appropriation for 1996-1997. Requirements for conference services in the United Nations Office at Nairobi and the regional commissions have been reflected in the respective sections of the proposed programme budget.

VIII.131. As indicated in paragraph 27E.9, the reduction reflects in part the introduction of "net budgeting" for conference services in Vienna, which results in an apparent reduction of $11,213,900 relating to services required to meet UNIDO and IAEA needs. A reduction of $2,496,800 relates to the transfer out of section 27E of the Treaty Series Copy Preparation Unit to section 6, Legal affairs, and the Technological Innovations Programme to section 27D, Support services. The Advisory Committee requested a further detailed breakdown of the other elements contributing towards the reduction, i.e. the amounts that relate to reduction of posts, reduction of services and other factors such as efficiency gains. The Committee was not able to obtain this information.

VIII.132. The Advisory Committee notes that the presentation of the estimates reflects net budgeting for the United Nations Office at Vienna. The Committee believes that this procedure distorts the transparency of the presentation, particularly as regards staff costs. In this connection, the Committee notes that some common and joint services have been calculated on a net basis, especially those services which seem to involve substantial resources for posts, while other non-post requirements have not been calculated on a net basis. The Committee's views on net budgeting are contained in chapter I.

VIII.133. Furthermore, for example, in table 27E.46, the requirements for posts have not been shown, and a minimal amount has been shown for other staff costs; these requirements have been shown under grants and contributions instead, as indicated in the table as well as in paragraph 27E.156 of the proposed programme budget. This procedure makes it difficult to ascertain what the Organization is spending on staff costs, although a number of posts are being funded on a continuing basis from the amount of $31,400,600; while these posts are not included in the United Nations staffing tables, the incumbents are nevertheless United Nations staff members. The Advisory Committee believes this procedure is misleading. In this connection, the Committee was informed that an allotment for the full budget as indicated in table 27E.48 would be issued by the Controller in anticipation of reimbursement from the other agencies using the services. In chapter I, the Committee has reiterated its request for a policy paper.

VIII.134. With regard to extrabudgetary resources, the Advisory Committee notes from table 27E.1 of the proposed programme budget an overall total of $9,225,100, including an amount of $2,780,000, under the heading "Other". While the Committee noted the explanation in footnote b to the table that the amount under "Other" comprises services provided to extrabudgetary meetings on a reimbursable basis, excluding reimbursement relating to the use of permanent capacity, which is credited to miscellaneous income, it enquired as to the difference in treatment regarding reimbursement of resources, but did not receive this information.

VIII.135. As indicated in table 27E.1, resources amounting to $2,013,800 have been included for the International Seabed Authority. On enquiry, the Advisory Committee was informed that this estimate was based on the request for conference services received from the Authority.

VIII.136. With regard to the Trust Fund for German Language Translation indicated in the same table, the Advisory Committee was informed that the increase in resources from $1,972,800 estimated in 1996-1997 to $2,272,800 for 1998-1999 was mainly due to recosting. An explanation for the Library Endowment Fund appears in paragraph 27E.141 of the proposed programme budget.

VIII.137. The Advisory Committee notes from table 27E.3 that a total of 1,799 regular budget posts has been requested for conference services in New York, Geneva and Vienna. As indicated in paragraph 152 of the introduction to the proposed programme budget a "reduction of 80 posts in New York, 90 posts in Geneva and 27 posts in the gross budget in Vienna has been proposed" for a total of 197 posts to be reduced. The Committee notes that these reductions, which are mainly in the document-processing areas, are attributable in large part to continued streamlining and past investment in technological innovations. The Committee understands that interpretation and translation capacity however would be maintained, and trusts that this will be the case. The proposals also reflect a redistribution of resources among New York, Geneva and Vienna consistent with the expenditure pattern and trends in workload and the transfer in New York of the Treaty Series Copy Preparation Unit to the Office of Legal Affairs.

VIII.138. The Advisory Committee notes that the difference between the total number of established posts in 1996-1997 (2,178) and the total number of posts proposed for 1998-1999 (1,799) is 379. The Committee was informed that of the 379 posts, 90 posts have been proposed for reduction in Geneva, 80 for reduction in New York, as well as a further 13 posts proposed to be transferred out of section 27E in New York, and, as indicated in footnote b to table 27 E.3, 196 posts to be transferred in conference services, Vienna, from the United Nations staffing table.

VIII.139. A breakdown by grade, level and location of the posts to be abolished in conference services, New York, is indicated in paragraphs 27E.20 and 21. Of the 80 regular budget posts proposed to be abolished in New York, the Advisory Committee was informed that 42 were vacant as at July 1997. A breakdown by grade, level and location of posts to be abolished in conference services, Geneva, is given in paragraph 27E.78. Of the 90 regular budget posts proposed to be abolished in Geneva, the Committee was informed that 36 were vacant as at July 1997. A breakdown by grade, level and location of posts to be abolished in conference services, Vienna, is given in paragraph 27E.151 of the proposed programme budget. Of the 27 posts proposed to be abolished in Vienna, the Committee was informed that 16 were vacant as at July 1997.

VIII.140. The Advisory Committee notes that in table 27E.2 the amount of $43,147,100 under other staff costs includes an amount of $35.3 million before recosting for general temporary assistance for meetings. In New York, an amount of $19,894,100 has been proposed (para. 27E.33) and in Geneva an amount of $16,042,200 has been proposed (para. 27E.87). However, because of the situation caused by the net budgeting procedure adopted for Vienna, requirements for general temporary assistance for Vienna cannot be easily identified (see the comments of the Committee on net budgeting in chap. I).

VIII.141. With regard to contractual translation in New York, the Advisory Committee notes from paragraph 27E.57 that a provision of $4,019,200 has been estimated for this purpose on the basis that, consistent with the observation by the Board of Auditors, it is believed to be the most economical mode of translation.

VIII.142. The Advisory Committee notes from table 27E.2 that an amount of $31,400,600 before recosting, under grants and contributions, has been requested as the United Nations share of the jointly financed budget for conference and library services, Vienna. A breakdown of this amount is shown in paragraph 27E.156. In addition, as indicated in table 27E.46 and explained in paragraph 27E.155, direct costs for overtime ($151,000), contractual translation ($729,300) and library books ($365,200) are not shared costs and are charged to the United Nations budget. Thus the total of $32,646,100 before recosting, as shown in table 27E.46, reflects the net United Nations share of the jointly financed budget in Vienna. Tables 27E.48 and 27E.49 reflect the total requirements of conference services, Vienna, at full budget cost.

VIII.143. The Advisory Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that Conference Services, by cutting printed material by 13 per cent, achieved a savings of $1.5 million per annum; through the use of remote translation and by rearranging weekend shifts a further $1.4 million was saved; by implementing energy-saving measures in the plant engineering section, a savings of $100,000 was saved in 1996 and savings of $150,000 are projected for 1997.

VIII.144. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997[20] the Committee had inquired into the extent to which the budget estimates for the section were based on demand for conference services. The Committee was informed that the resources requested were not directly based on total demand for services, but rather on experience in terms of expenditures, output and capacity over the previous years. The Committee was also informed that over the years there had been an increase in the demand for translation at Headquarters and that a large part of the growth in the demand for conference services resulted from additional, unplanned meetings of regularly scheduled bodies. In considering the workload statistics at that time, the Committee had commented that more should be done to make the performance indicators more useful, to provide better cost information on meetings and documentation and to make a detailed analysis of the actual level of demand and output for conference services, both for formal and informal meetings.

VIII.145. While the Advisory Committee welcomes the inclusion of performance indicators on non-calendar meetings in the workload statistics provided for meeting services, New York, in table 27E.9 and for Geneva in table 27E.29 of the proposed programme budget for the biennium 1998-1999, the Committee points out that the submission still lacks information on statistics for services demanded but not delivered. The Committee was informed that during 1995 and 1996 the numbers of meetings requested with interpretation in New York that could not be accommodated were 202 and 174 respectively. The Committee notes from the note to table 27E.9 that calendar meetings are meetings of intergovernmental or expert United Nations bodies, regardless of the nature of the meetings (formal, informal consultations, etc.) while non-calendar meetings are all other meetings, including mainly meetings of regional groups, other groups of Member States or intergovernmental organizations, and meetings organized by the Secretariat at its own initiative. Non-calendar meetings are provided with conference services on an "as available" basis.

VIII.146. The Advisory Committee notes from table 27E.9 that statistics for the biennium 1998-1999 are based on the experience of 1996. As shown in table 27E.9, a total of 11,000 meetings is estimated by the end of the biennium 1996-1997, and a total of 11,000 meetings is also estimated for the biennium 1998-1999. In the opinion of the Committee, the 1996 statistics may not be truly indicative owing to the mandatory budget reduction imposed during that year. The Committee was informed that there were obvious indications that there would be an increase in meetings, as estimates for the biennium ending 31 December 1997 show. The Committee was informed that, in fact, experience has shown that at least 20 per cent of the meetings are cancelled, and the Secretariat is therefore able to accommodate the non-calendar meetings. The Committee believes that the situation needs careful monitoring, both by the Secretariat and by Member States. In this connection, the Committee also notes that, whereas in table 27E.9 a total of 11,000 meetings has been estimated for New York during 1998-1999, as indicated in table 27E.29, a total of 13,600 has been estimated for Geneva. The Committee enquired as to the reasons for this but did not receive an explanation.

VIII.147. From the information provided to the Advisory Committee, it appears that cost reductions could have an adverse effect on the quality of conference services being provided. For example, the Committee was informed that the costs for hiring temporary interpreters and translators in New York and Geneva were considerably lower than the costs for permanent personnel for these activities. Economies achieved by recruiting temporary staff on a "when-actually-employed" basis may not prove economical in the long run and the United Nations may well find itself much less competitive in attracting the best possible services in translation and interpretation. Furthermore, staff that have been hired on a temporary basis may not be as familiar with the terminology of the United Nations.

VIII.148. The Advisory Committee notes from paragraph 27E.11 that resource proposals for 1998-1999 make provision for the further development of computer applications in conference services. Systems design and development projects will be undertaken to introduce further technological advances in various aspects of conference servicing.

VIII.149. The Advisory Committee notes from paragraph 27E.160 (b) that during the biennium 1998-1999 more effective use of technological innovation projects such as the Documents Control and Productivity Monitoring System (DCPMS) will be made in Vienna. In this connection, with regard to the measures proposed in New York to "ensure the connectivity of the document information and tracking systems in the three largest duty stations" (para. 27E.25) the Committee understands that the systems in New York and Geneva (DRITS) are different from that in Vienna (DCPMS). The Committee regrets this situation and that connectivity was not incorporated when these systems were being introduced. The Committee was informed that New York would undertake a study of overall requirements and integration of systems in New York, Geneva and Vienna, while the latter two would continue to enhance their existing systems.

VIII.150. The Advisory Committee notes from paragraph 27E.59 that for text-processing services, with the installation of Windows-based software in all units in 1996-1997, and on the basis of macros and other instructions developed internally, new document formats were being introduced to enhance readability, reduce paper consumption and facilitate electronic dissemination. The Committee also notes from paragraph 27E.62 that the use of printing on demand as an alternative to stock storage, combined with closer monitoring of distribution patterns, has already led to a 14 per cent reduction in document print-runs.

The Committee welcomes the advances proposed for achieving greater economies and efficiency through technological advances; the Committee trusts that with progress so far it should be possible to effect greater economies and that these savings would be used for additional investment in documentation and publishing services.

VIII.151. The Advisory Committee notes from paragraphs 27E.11 and 27E.25 that the technical, financial and organizational feasibility of large-scale remote interpretation is being reviewed, taking into account the requirements for items such as space and electronic facilities. The Committee welcomes the increasing use of remote translation and interpretation, as well as video-conferencing, and trusts that every effort will be made to enhance use of these technologies with a view to maximizing efficiency and productivity while at the same time ensuring cost-effectiveness. With regard to video-conferencing, the possibility of installation of this facility for the Committee should be given urgent attention. Such a facility would be of practical advantage and cost-effective in cases where programme managers, particularly from duty stations away from Headquarters, are not able to appear before the Committee during its consideration of relevant budgets for peacekeeping operations, as well as for the regular budget and extrabudgetary resources.

VIII.152. With regard to workload statistics, the Advisory Committee notes the information in table 27E.16 regarding statistics for translation services in New York. Similarly, workload statistics have been provided for editorial services (table 27E.17), and reproduction and distribution of documentation in New York (tables 27E.21 and 27E.22). In the case of Geneva, workload statistics have been provided for meeting services (table 27E.29), for interpretation services (table 27E.32), for translation (table 27E.35) and for editorial services (table 27E.36). Similarly, statistics have been provided for text-processing (table 27E.39), copy preparation (table 27E.40), reproduction (table 27E.41) and distribution (table 27E.42) in Geneva. In respect of Vienna, workload statistics have been provided for meeting services (table 27E.53), as well as for interpretation services (table 27E.56), translation services (table 27E.59), editorial services (table 27E.60), text-processing (table 27E.63), copy preparation (table 27E.64), reproduction (table 27E.65) and distribution (table 27E.66).

VIII.153. The Advisory Committee believes that all these workload standards should be revisited, given the potential for increase in productivity as a result of utilization of new technology.

VIII.154. The Advisory Committee notes in paragraph 27E.78 the proposed abolition of 20 Professional and 70 General Service posts in Geneva. Reductions in staff for interpretation and translation services are offset by an increase in temporary assistance for meetings, which is cost-effective in Geneva.

VIII.155. The Advisory Committee notes from paragraph 27E.137 that the requested amount of $161,600 relates to fees for access to on-line information resources (DIALOG, EUROBASES, LEXIS, NEXIS and others). The Advisory Committee reiterates the need to set guidelines for this purpose.

VIII.156. The Advisory Committee notes from paragraphs 27E.143 and 27E.144 of the proposed programme budget that conference services for the United Nations and UNIDO at the Vienna International Centre were managed jointly until 1 April 1995. Pursuant to General Assembly resolution 49/237 of 31 March 1995, unified conference services under United Nations management were established on

1 April 1995 on condition that, inter alia, the arrangements should be accomplished within existing resources.

VIII.157. The Advisory Committee notes the statement in paragraph 27E.178 that for 1998-1999, the most important objective for the Interpretation Section would be an experiment with remote interpretation. The Committee notes that the priority given this item seems to be higher than that being given in New York. The Committee also recommends that there be close coordination between the systems for remote interpretation to be introduced in New York, Geneva and Vienna.

VIII.158. The Advisory Committee notes from paragraphs 27E.192 and 27E.196 that it is envisaged that there will be a decrease in the work performed for UNIDO in 1998-1999. Consequently, the abolition of eight posts at the P-3/P-4 level in translation services is envisaged as is a reduction of $1,886,900 for freelance staff. In view of the financial situation of UNIDO, the Committee recommends that the situation be carefully monitored to ensure that services delivered can be covered by available resources.

Section 27F. Administration, Geneva

VIII.159. As indicated in table 27F.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27F amounts to $114,814,100 before recosting, a decrease of $5,963,900 against the 1996-1997 appropriations. This signifies a negative resource growth of 4.9 per cent. The Advisory Committee notes that the 1998-1999 estimates after recosting ($112,860,100) are lower than the estimates before recosting ($114,814,100). On enquiry, the Committee was informed that the 1996 appropriation was based on an exchange rate of 1.22 Swiss francs to the United States dollar; this had to be brought to the 1997 rate, which is 1.29 francs to the dollar.

VIII.160. As indicated in table 27F.1 of the Secretary-General's proposed programme budget, extrabudgetary resources are estimated at $15,378,500, resulting in total resources and requirements for 1998-1999 at $128,238,600.

VIII.161. As shown in table 27F.3, the regular budget post requirements for the biennium 1998-1999 total 376 posts, a decrease of 45 posts from 421 in the biennium 1996-1997. Although the Advisory Committee was not able to ascertain how many of the posts proposed for abolition were vacant, it was informed that as at 14 July 1997 there were 54 vacant posts overall (10 Professional and 44 General Service). With regard to extrabudgetary posts, the Committee notes an increase of 1 post from 72 posts in the biennium 1996-1997 to 73 posts in the biennium 1998-1999.

VIII.162. The Advisory Committee notes from table 27F.2 that the reduction of 51 posts represents a decrease of $3,973,200 in the estimates (before recosting). The Committee was informed that the increase of $378,700 for general temporary assistance from $4,853,500 in the biennium 1996-1997 to $5,232,200 in the biennium 1998-1999 was due mainly to requirements for replacement of staff on extended sick leave and during peak workload periods, particularly as new systems in the information technology areas are introduced.

VIII.163. The Advisory Committee also notes from table 27F.2 that general operating expenses have been reduced from $29,918,300 in the biennium 1996-1997 to $25,396,900 before recosting in the biennium 1998-1999. The Committee was informed that of the total reduction of $4,521,400, $1.7 million relates to the

transfer of resources to section 23, Protection of and assistance to refugees, of the proposed programme budget in respect of rental formerly charged under section 27F. The Committee was further informed that part of the reduction was also due to the fact that negotiations with the Swiss PTT authorities are expected to be successful in obtaining lower and more favourable rates.

VIII.164. As indicated in the report of the Secretary-General on efficiency gains (A/51/873), an amount of approximately $5 million was realized in savings under section 27F. The Advisory Committee was informed that these savings were achieved by adopting a number of measures, including the suppression of 12 messenger posts and the use of e-mail and other facilities instead. With regard to other communications requirements, savings were achieved through negotiations with the Swiss PTT authorities for lower and more favourable rates and by eliminating the need for many clerical posts through better utilization of automation. Through automation of security systems, such as the use of electronic aids, video cameras and motion detectors, the administration eliminated the need for eight Security Officer posts, which are proposed for abolition. However, the Committee was informed that in view of a recent security situation, this issue will be reviewed.

VIII.165. The Advisory Committee was informed that whatever savings were achieved during the biennium 1996-1997 owing to adoption of the above-mentioned efficiency measures, were subsumed in achieving the reductions mandated by the General Assembly in its resolution 50/214 of 23 December 1995. Consequently, there were no actual resources or savings available for reprogramming or diverting to other activities.

VIII.166. The Advisory Committee notes from table 27F.2 that an amount of $4,738,500 (before recosting) has been shown against grants and contributions. The Committee notes from paragraph 27F.23 that of the total, an amount of $1,890,200 would provide for the United Nations Office in Geneva's share of the payment to ICC for the operation and maintenance of the mainframe, resources which were formerly budgeted under section 29, Jointly financed administrative activities. The Committee was informed that the United Nations Office at Geneva still uses ICC facilities for its payroll; however, this usage would decrease and ultimately cease once IMIS Release 4 was in place in Geneva, sometime in 1998. The Committee also understands that ICC services are utilized for other functions such as the computer help desk, e-mail and other programme functions. The Committee recommends that billing by ICC be refined to ensure that users are only charged for services they have received.

VIII.167. The Advisory Committee notes from paragraph 27F.39 that estimated requirements for the Joint Medical Service ($2,848,300), representing the share of the use of the Service by the United Nations Office at Geneva, are included in the total amount for grants and contributions.

VIII.168. With regard to the methodology for apportionment of medical costs, the Advisory Committee was informed that this provides for the share of each participating organization to be determined on the basis of statistics prepared by the Joint Medical Service on the actual usage of the Service by the different organizations broken down by items such as medical exams, x-rays and laboratory tests, vaccinations and nursing care and administrative work. The Committee was informed that the current United Nations share was 28 per cent. The percentage share of the workload is multiplied by the overall budget of Joint Medical Service to arrive at the dollar share of each participating organization in the total costs.

VIII.169. The Advisory Committee regrets the lack of uniformity in the presentation of the estimates for medical services in the proposed programme budget. While these estimates have been identified under grants and contributions in sections 27F, Administration, Geneva, and 27G, Administration, Vienna, of the proposed programme budget, the Committee notes that in section 27C, Office of Human Resources Management, medical services are indicated in a subprogramme, and in section 16, Economic and social development in Africa, these are shown under extrabudgetary resources, although the Service is run by the United Nations.

VIII.170. The Advisory Committee notes from paragraph 27F.7 that the resources requested for posts would include provision for a P-5 post as IMIS Coordinator in the Office of the Director of Administration, and one General Service (Other level) post to cover the functions of an IMIS help desk assistant. On enquiry, the Committee was informed that the IMIS help desk is responsible for providing assistance on a continuous basis to current users and is also responsible for training new users. In order to ensure continuous coverage, it is estimated that a minimum of two help desk assistants would be required. On enquiry, the Committee was informed that as of the spring of 1997 the help desk supported 213 registered IMIS users, of which 50 are on average logged into the system at the same time; the desk handles an average of 30 calls per day.

VIII.171. With regard to the help desk for other computer needs, the Advisory Committee was informed that the Electronic Services Section is supported by a supervisor at the G-7 level and three technicians (General Service (Other level) posts). The number of directly supported personal computers exceeds 500. In addition, the unit provides extended support for other help desk services regarding the network to all offices at the United Nations Office at Geneva, utilizing the campus-wide network of over 3,000 nodes. In addition, the help desk support function includes analysis of user needs, office automation application assistance and monitoring various services and connectivities. On enquiry, the Committee was informed that the industry standard for help desk personnel was 1:150 personal computers.

VIII.172. The Advisory Committee notes from paragraph 27F.10 that the Financial and Electronic Resources Management Service comprises the Programme Planning and Budget Section, the Finance Section and the Electronic Services Section. The Committee notes that this combined structure is somewhat different from that in New York and Vienna, which makes it difficult to assess the volume and adequacy of related activities. The Committee was informed that for the biennium 1998-1999 the Electronic Services Section would comprise one P-5, one P-4, one P-3, five P-2, two General Service (Principal level) and 37 General Service (Other level) posts. The Committee was not able to determine how many of these posts related to information technology, nor was it possible to get a clear picture of technology initiatives from the information contained in paragraphs 27F.13 to 27F.15 of the proposed programme budget.

Section 27G. Administration, Vienna

VIII.173. As indicated in table 27G.1 of the proposed programme budget, the estimates for section 27G, Administration, Vienna, amount to $34,137,200, before recosting, reflecting a negative resource growth of $10,540,700, or 23.5 per cent. Extrabudgetary resources as shown in table 27G.1 amount to $1,364,600.

VIII.174. The Advisory Committee notes from table 27G.3 that a total of 86 posts has been requested for the biennium 1998-1999 against regular budget resources, compared with a total of 190 in 1996-1997. The Committee was informed that 19 posts are proposed to be abolished; of the 19, 8 General Service (Other level) posts are from the Support Section, while 11 General Service (Other level) posts are proposed to be abolished from the Security and Safety Section. The Advisory Committee was not able to ascertain how many of the 19 posts proposed for abolition were vacant. In addition, as indicated in paragraph 158 of the introduction to the proposed programme budget, "with the introduction of net budgeting for the Security and Safety Service, which is provided on behalf of and financed by all the organizations occupying the Vienna International Centre, all 96 posts currently in the section have been removed and 11 of them are scheduled for abolition". The Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that in 1996-1997 savings of $954,000 were achieved by restructuring the United Nations Security and Safety Service and the services its provides.

VIII.175. The Advisory Committee notes from paragraph 27G.2 that within the United Nations Office at Vienna, the Division of Administrative and Common Services will continue to provide full administrative and conference services to the United Nations Secretariat units located at the Vienna International Centre. The Committee notes from paragraph 27G.3 that the secretariat of the Comprehensive Nuclear-Test-Ban Treaty Organization will establish its headquarters at the Vienna International Centre in 1997. The Committee further notes that while that organization would be obtaining administrative and conference services on a cost-reimbursement basis at a level expected to be higher than the services that had been rendered to UNRWA, no information has been included in the proposed programme budget for the biennium 1998-1999 regarding financial and other arrangements that would be required with the establishment of this secretariat.

VIII.176. However, the Advisory Committee was informed that the Comprehensive Nuclear-Test-Ban Treaty Organization has formally requested the United Nations Office at Vienna to provide security, garage space, communications, electronic data-processing and conference services and that arrangements were being worked out for the provision of such services against cost reimbursement, including overhead charges.

VIII.177. The Advisory Committee was informed that the arrangements for common and joint services in Vienna that had been in place since 1979 and were based on a tripartite agreement between IAEA, UNIDO and the United Nations, have changed to the extent that certain programmes have become increasingly difficult to maintain at the previous levels. For example, the common services for language training, following the departure of IAEA, became a joint service between the United Nations Office at Vienna and UNIDO, and following the departure of UNIDO from the service in July 1997, a United Nations Office at Vienna service only. The Committee was informed that reduced gross budgets for common/joint services have also had an adverse effect on managing such services, particularly when the workloads of the partners who are not operating the service are not reduced. The reduction in the gross budget for common services operated by the United Nations Office at Vienna had a deleterious effect on services to the United Nations, since budgetary reductions cannot be applied to objects of expenditure for common/joint services operated by IAEA or UNIDO and must therefore be spread over objects of expenditure which relate to the United Nations units only.

VIII.178. The Advisory Committee notes from the report of the Secretary-General on efficiency gains (A/51/873) that in addition to the savings of $954,000 in

1996-1997, which were achieved in the United Nations Office at Vienna by restructuring the United Nations Safety and Security Service, an amount of $810,000 is claimed to have been saved in 1996-1997 through full utilization of interpretation resources. According to the report, a further $444,000 savings was achieved in 1996-1997 through reduction in communications costs. The Committee also notes from the report that an additional amount of $4.046 million in savings for the biennium 1996-1997 has been indicated and an amount of $1.28 million for the biennium 1998-1999 in respect of 103 projects, 63 per cent of which had been completed. The Committee requested further information on the projects, as well as the utilization of the savings achieved, including whether they were available for reprogramming. While the Committee was provided with further information on the savings achieved, it was unable to ascertain whether these had been subsumed by the reductions mandated in resolution 50/214.

Section 27H. Administration, Nairobi

VIII.179. As indicated in table 27H.1 of the proposed programme budget for the biennium 1998-1999, the Secretary-General's estimate for section 27H amounts to $10,165,500 before recosting, an increase of $252,100 against the 1996-1997 appropriations.

VIII.180. The extrabudgetary resources as shown in table 27H.1 are estimated at $16,754,400, resulting in total resources and requirements for 1998-1999 at $28,645,800.

VIII.181. The Advisory Committee notes from table 27H.1, an increase in extrabudgetary resources from $11,208,600 to $16,754,400. The Committee was informed that the additional resources represent amounts for posts included in the UNEP staffing table. The Committee sought additional information on the status of posts and the basis on which the extrabudgetary resources had been estimated. The Committee was informed that the resources were based on original commitments entered into by UNEP and the United Nations Centre for Human Settlements (Habitat) when the United Nations Office at Nairobi was established effective 1 January 1996 as a successor to the two separate divisions of administration of UNEP, Habitat and the United Nations Common Services at Nairobi, with the objective of the Office being to strengthen the United Nations presence in Nairobi and to achieve economies of scale.

VIII.182. However, since the establishment of the United Nations Office at Nairobi, the Office has faced a variety of problems related to its funding, management and relation with the other Secretariat units at Nairobi. These problems were commented upon extensively in a report by the Office of Internal Oversight Services (A/51/810, paras. 119-136). In particular, the Office of Internal Oversight Services concluded that "all in all, the team is of the opinion that so far the development of the United Nations Office at Nairobi has not demonstrated any tangible progress towards the attainment of the primary objective behind its establishment, namely, strengthening the United Nations presence at Nairobi and providing quality services to its clients while securing substantial savings". The Office of Internal Oversight Services requested that the Department of Administration give this matter its immediate attention by ensuring that the authority delegated to the United Nations Office at Nairobi is being properly exercised and by determining whether the staffing of the Office and sources of funding are adequate for the efficient discharge of the functions delegated to it.

VIII.183. The Advisory Committee sought additional information on the implementation of the recommendations of the Office of Internal Oversight Services, in particular those contained in paragraph 136 of its report (A/51/810), but did not receive a response.

VIII.184. As indicated in table 27H.3 of the proposed programme budget, the number of regular budget posts proposed for the biennium 1998-1999 is the same as that in the biennium 1996-1997. However, the Advisory Committee was informed that of the total 110 regular budget posts as at 15 July 1997, there were only 2 vacant posts in the Field Service category.

VIII.185. As indicated in paragraph 27H.26, the Secretary-General has proposed to redeploy two Field Service posts from Support Services Service to the Electronic Services Service and reclassify them at the P-3 level. The Advisory Committee was informed that these Field Service posts currently accommodate telecommunications technicians and that at their proposed reclassified level, the incumbents would provide administration, management and maintenance of LAN and wide area network (WAN) at the United Nations compound at Gigiri. The estimated requirement of $358,000 relates to the cost of the two P-3 posts.

VIII.186. The Advisory Committee notes from table 27H.14 that an amount of $7,866,200 of which $6,229,700 represents extrabudgetary resources, is estimated for conference services. The Committee further notes from paragraph 27H.28 that as of 1997, UNEP will have ceased to contribute United Nations Environment Fund resources for core institutional support of the Conference Services Service. Instead, such costs would be budgeted under operational programme budgets of its main offices. Accordingly, the Service would be primarily financed by resources made available to it by substantive users on a charge-back basis.

VIII.187. The Advisory Committee discussed the implications of the above procedure with representatives of the Secretary-General and of the United Nations Office at Nairobi. The Committee was informed that there was little experience in the Secretariat with the operation of the charge-back system. It was also informed that resources for conference services were supposed to be allocated to cost centres under the responsibility of each programme manager. The latter would then individually request services from the United Nations Office at Nairobi by advancing resources to that Office. The Committee understands that with the new procedure there would be nothing to prevent a programme manager from retaining the option to request services from another United Nations entity or even a non-United Nations institution. The Committee points out that unless adequate preparation is made for the introduction of the charge-back system with due regard to operational difficulties, the effect of this procedure on the nature of the United Nations activities and the accounting and administrative costs involved would far outweigh whatever benefit this procedure is intended to achieve. The Committee also draws particular attention to paragraphs 127 to 129 of the report of the Office of Internal Oversight Services on the review of the administrative practices of the UNEP secretariat, including the United Nations Office at Nairobi (A/51/810), and the comments and recommendation of the Advisory Committee in chapter I.

VIII.188. With regard to electronics services, the Advisory Committee notes from paragraph 27H.25 that the functions related to LAN and WAN would be gradually transferred from UNEP to the United Nations Office at Nairobi towards the end of 1997. In this connection, the Committee notes that the Office of Internal Oversight Services in its report observed that there was a degree of incompatibility between the United Nations and UNEP systems (A/51/810,

para. 133). The Committee sought additional information on what action had been taken to rectify the situation but did not receive a response.

VIII.189. The Advisory Committee notes from paragraph 27H.18 that an estimate of $272,700 under other staff costs relates to general temporary assistance for 12 security officers. The Committee recalls that in its report on the proposed programme budget for 1996-1997,[21] it had noted that 12 security and safety positions had been proposed for continuing funding under general temporary assistance and that a proposal for their conversion into posts would be considered in the context of a review of the Security and Safety Service which was under way at that time. The Committee had requested the Secretary-General to identify in the next proposed programme budget such temporary positions, which would have been continuously funded from general temporary assistance. The Committee was informed that since the experience of the United Nations Office at Nairobi was limited owing to the fact that it had been established effective 1 January 1996, it was not considered prudent/practical to convert these positions to posts at the present time. The Committee was not able to ascertain the length of time during which these positions had continued to be maintained under general temporary assistance.

VIII.190. In view of the uncertainty regarding funding for the United Nations Office at Nairobi, and especially since the Advisory Committee was informed that if funds were not realized some posts would have to be discontinued, the Committee enquired as to the arrangements in place in case the Office was required to pay termination indemnity to staff it was unable to reassign. The Committee did not receive a reply.

Notes

[1] Official Records of the General Assembly, Fifty-second Session, Supplement No. 1 (A/52/1).

[2] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

[3] Ibid., para. VIII.22.

[4] Ibid., para. VIII.19.

[5] Ibid., para. VIII.17.

[6] Ibid., para. VIII.29.

[7] Ibid., Forty-fourth Session, Supplement No. 7 and corrigendum (A/44/7 and Corr.2), para. 28D.2.

[8] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. VIII.28.

[9] Ibid., para. VIII.34.

[10] Ibid., para. VIII.33.

[11] E/1997/88, paras. 5 and 7.

[12] ACC/1997/2 and Corr.1, para. 27.

[13] Ibid., para. VIII.40.

[14] Ibid., para. VIII.31.

[15] Ibid., para. VIII.42.

[16] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 7 (A/49/7), vol. I., paras. 141 and 145.

[17] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 (A/50/7) and corrigendum, para. VIII.47.

[18] Ibid., para. VIII.48.

[19] Ibid., para. VIII.51.

[20] Ibid., para. VIII.56.

[21] Ibid., para. VIII.88.

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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

First report of the Advisory Committee on Administrative and Budgetary Questions*

PART IX. INTERNAL OVERSIGHT

Section 28. Office of Internal Oversight Services

IX.1. As indicated in paragraph 28.1 of the proposed programme budget, the Office of Internal Oversight Services was established in September 1994 pursuant to General Assembly resolution 48/218 B of 29 July 1994.

IX.2. As can be seen from tables 28.1 and 28.2 of the proposed programme budget, the total level of regular budget resources proposed is $17,548,800 before recosting, an increase of $2,537,300, which signifies a rate of growth of 16.9 per cent. This is mainly the result of full budgeting of posts established in 1996-1997. Extrabudgetary resources as reflected in tables 28.1 and 28.2 amount to $7,839,200, an increase of $1,285,400. The Advisory Committee requested and received comprehensive details of resources pertaining to the audit of peacekeeping operations, funds and programmes. This is shown in the table below.

* The present document contains part IX of chapter II of the first report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 1998-1999. Chapter I has been issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7). The complete first report will be issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7/Rev.1).

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Office of Internal Oversight Services

Extrabudgetary resources: breakdown by source of funds and object of expenditure

(Thousands of United States dollars)

Source of funds	Object of expenditure											
	Posts		Other staff costs		Travel		General operating expenses		Furniture and equipment		Total	
	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates	1996-1997 estimates	1998-1999 estimates
Services in support of:												
(a) United Nations organizations												
Support for extrabudgetary administrative structures	312.2	264.7				40.0					312.2	304.7
United Nations Joint Staff Pension Fund			327.5	336.2							327.5	336.2
International Trade Centre	196.3	196.3									196.3	196.3
Office of the United Nations High Commissioner for Refugees	1 844.4	2 990.3									1 844.4	2 990.3
Total (a)	2 352.9	3 451.3	327.5	336.2	0.0	40.0	0.0	0.0	0.0	0.0	2 680.4	3 827.5
(b) Extrabudgetary activities												
Support to extrabudgetary substantive activities												
Programme support costs of extrabudgetary substantive activities	665.4	636.3									665.4	636.3
Fund of the United Nations International Drug Control Programme	285.9	306.6			60.0	70.0					345.9	376.6
Subtotal	951.3	942.9	0.0	0.0	60.0	70.0	0.0	0.0	0.0	0.0	1 011.3	1 012.9
Technical cooperation activities												
Extrabudgetary technical cooperation reimbursement resources	565.9	546.0			16.5	98.0					582.4	644.0
Peacekeeping cooperation activities												
Support account for peacekeeping operations	2 279.7	2 330.4						15.4		9.0	2 279.7	2 354.8
Total (b)	3 796.9	3 819.3	0.0	0.0	76.5	168.0	0.0	15.4	0.0	9.0	3 873.4	4 011.7
Total (a) and (b)	6 149.8	7 270.6	327.5	336.2	76.5	208.0	0.0	15.4	0.0	9.0	6 553.8	7 839.2

The Committee requests that future budget submissions clearly indicate and identify the above resources and expenditures.

IX.3. The Advisory Committee was provided with the following information in relation to estimated travel expenditures pertaining to peacekeeping operations, funds, programmes and other entities:

Estimated travel expenditures, 1996-1997

	(United States dollars)
ITC (Investigations)	4 300
UNRWA (Investigations)	35 300
UNDP (Investigations)	30 800
UNICEF (Investigations)	10 000
Tribunal/Former Yugoslavia (Investigations)	10 000
Tribunal/Rwanda (Investigations/audit)	49 500
Peacekeeping missions (Investigations)	64 982*
Peacekeeping missions (Audit and management consulting) (Estimates for one year)	125 900**

* Includes travel costs for one Legal Officer to assist in investigative cases.

** Is included in the budget of individual peacekeeping missions.

IX.4. With regard to requirements for travel, the Advisory Committee notes that an amount of $780,900 before recosting has been proposed for the biennium 1998-1999 under regular budget resources, representing an increase of 43.4 per cent over the biennium 1996-1997. In addition, as indicated in table 28.2, requirements under extrabudgetary resources are shown as $208,000 for travel during the biennium 1998-1999 compared with an estimate of $76,500 for the biennium 1996-1997.

IX.5. As indicated in table 28.3 of the proposed programme budget, the total number of regular budget posts proposed for the biennium 1998-1999 is 82, representing an increase of eight regular budget posts as compared with the total of 74 posts for the biennium 1996-1997. The Advisory Committee notes that

the seven temporary posts funded under the regular budget during 1996-1997 are no longer proposed to be continued as temporary posts but are proposed to be converted to established posts. As indicated in table 28.3, the total number of extrabudgetary posts proposed for the biennium 1998-1999 is 34, representing an increase of four extrabudgetary posts as compared with the total of 30 posts for the biennium 1996-1997.

IX.6. The Advisory Committee was informed that during 1996-1997 resources for three posts had been allocated for the appointment of resident auditors in peacekeeping operations and that the estimated costs of salaries for the three posts (P-4, P-3, P-2) totalled $341,600. In addition, estimated travel costs to and from missions for audit assignments totalled $22,300. The costs of resident auditors are charged to the relevant peacekeeping operations.

IX.7. The Advisory Committee notes from footnote a to table 28.3 that during the biennium 1996-1997 three gratis personnel on non-reimbursable loan have been contributed at the P-4/3 level and that it was anticipated that during 1998-1999, one of these would continue to be contributed. The Committee recalls the provision of General Assembly resolution 51/243 of 15 September 1997 to phase out expeditiously type II gratis personnel. In this connection, the Committee draws attention to its report on gratis personnel (A/51/813) and the comments it has made on the use of gratis personnel in procurement services; in the case of the Office of Internal Oversight Services, the Committee firmly believes that the practice of using gratis personnel is not appropriate and should be avoided.

IX.8. The Advisory Committee notes from footnote c to table 28.3 that extrabudgetary funds for 34 posts would be provided to the Office of Internal Oversight Services during the biennium 1998-1999 by the different funds and programmes, including by the support account for peacekeeping operations. The Committee also notes that, while the total number of such posts during the biennium 1996-1997 was also 34, four of those posts were on non-reimbursable loan from UNHCR in addition to funding provided for seven other posts by UNHCR.

IX.9. The Advisory Committee notes from table 28.2 that in addition to the regular budget and extrabudgetary posts, an amount of $200,200 before recosting has been proposed for consultants and experts. Information provided to the Committee on the use of consultants indicates, inter alia, that 9 of the 10 consultants hired during 1995, 1996 and 1997 were of the same nationality. In this connection, the Committee recalls General Assembly resolution 51/226 of 3 April 1997, in which the Assembly endorsed the recommendation of the Committee that the Secretariat resume the past practice of submitting, on a biennial basis and in cooperation with the report requested by the Committee on the hiring of retired staff, a report on the hiring and use of consultants, following the format of past reports on the subject.

IX.10. The Advisory Committee notes from paragraph 28.7 of the proposed programme budget that the Office of Internal Oversight Services has established an administrative unit within the Office of the Under-Secretary-General. This unit is responsible for personnel and financial administration and planning and utilization of resources for the office. The proposed staffing would comprise one post at the P-4 level and one General Service post, which are currently in the unit, one P-3 post to be redeployed from the Central Evaluation Unit, and the conversion of one temporary post at the General Service (Principal level) to an established post.

IX.11. The Advisory Committee recalls that the General Assembly, in its resolution 50/239 of 7 June 1996, reaffirmed that procedures for recruitment and promotion applied to personnel of the Office of Internal Oversight Services should be consistent with those applied to the Secretariat. In this connection, the Committee was informed that panels for appointment and promotion have been established in the Office and consist of one representative of the Department of Administration and Management, one representative of the Office of Human Resources Management, and one staff representative and one management representative of the Office of Internal Oversight Services.

IX.12. The Advisory Committee was provided with an organizational chart showing the structure of the Office of Internal Oversight Services in New York. The Committee received information regarding the additional units at Geneva and Nairobi, as well as the resident auditors located at various sites in peacekeeping missions.

IX.13. The Advisory Committee trusts that the structure for the Office of Internal Oversight Services will not become too elaborate and that procedures will be in place for the coordination of the various units with a view to promoting greater efficiency.

IX.14. The Advisory Committee notes from paragraph 28.13 of the proposed programme budget that requirements for the maintenance of office automation equipment for all Office units had been centralized under the Office of the Under-Secretary-General. On inquiry as to the type of automated equipment, the Committee was informed that a project tracking and reporting system had been introduced which enables the Office to monitor the progress and resource allocation of assignments in its four units; prior to the introduction of the system, a time tracking database was used in the Audit and Management Consulting Division for administrative purposes only. While the project tracking and reporting system essentially builds on that database, it had expanded and standardized the database for the entire Office to provide essential management information components. The Committee welcomes this initiative.

IX.15. The Advisory Committee was informed by the Under-Secretary-General for the Office of Internal Oversight Services that guidelines are being prepared to facilitate self-evaluation and monitoring. The Committee trusts that the implementation of these guidelines will ensure the avoidance of duplication among the evaluation, inspection and monitoring subprogrammes of the Office. The Committee trusts that the new guidelines will also help the Office to assess the continuing validity of its recommendations.

IX.16. The Advisory Committee notes that total resources for the Audit and Management Consulting Division of the Office of Internal Oversight Services, as shown in table 28.8, are $16,469,600. In addition, the Committee requested but did not receive information on the resources provided for audit purposes by peacekeeping operations.

IX.17. The Advisory Committee was provided with information regarding the number of audit reports as well as other reports to the General Assembly in addition to audit memoranda and observations issued during the period from 1995 to 1997:

Number of reports produced by the Audit and Management Consulting Division in 1995, 1996 and 1997

Audit reports

1995	33
1996	51
1997	26

Reports to the General Assembly

1995	4
1996	5
1997	5

In addition, a large number of audit memoranda and audit observations have been issued, as indicated below:

	Audit memoranda	Audit observations
1995	39	278
1996	33	303
1997	12	103

IX.18. The Advisory Committee notes from paragraph 28.36 of the proposed programme budget that included in the audit activities planned for 1998-1999 are audits of the EDP Unit and IMIS. The Committee was informed that for 1996-1997, six EDP audits had been completed, six were in progress and four had been completed as at 17 June 1997. The Committee welcomes this given the increased use of technological developments.

IX.19. The Advisory Committee was informed that during 1994, 110 cases were investigated and 100 of these were closed; during 1995, of the 165 cases investigated, 137 were closed; during 1996, there were 191 cases, of which 177 were closed, and in the first three months of 1997, there were 22 cases being investigated. As can be seen from this data, the workload of cases peaked in 1996. The recommendations for corrective action to prevent incidents of fraud or waste, together with greater accountability being called for, may result in a diminution of the caseload. However, it is not really possible to predict the incidence of fraud, waste of resources, abuse of authority, mismanagement and misconduct; nor is it possible to predict the workload of each and every case or the personnel required. Nevertheless, given the progress made by the Office of Internal Oversight Services, the Committee believes that a forecast of 450 additional cases, as indicated in paragraph 28.64 (i) of the proposed programme budget, seems high. The Committee believes that if the forecasted number is not realized and there continues to be positive developments in this area, then savings should be achieved.

IX.20. With regard to the work of the Investigations Section, the Advisory Committee notes the Manual that governs the operating procedures of the Section. The Committee trusts that with respect to investigations and action taken, the Secretary-General will bear in mind General Assembly resolution 48/218 B, in particular paragraph 7, requesting him, inter alia, to ensure that procedures are in place to ensure due process for all parties concerned and fairness during an investigation.

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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

First report of the Advisory Committee on Administrative and Budgetary Questions*

Part X. Jointly financed administrative activities and special expenses

X.1. The Secretary-General's estimate for part X, Jointly financed administrative activities and special expenses, amounts to $59,949,600, comprising $6,228,800 for jointly financed administrative activities (section 29) and $53,720,800 for special expenses (section 30).

Section 29. Jointly financed administrative activities

X.2. Provisions under this section are requested for six bodies of the United Nations financed on an inter-agency basis:

(a) The International Civil Service Commission (ICSC) and its secretariat;

(b) The Joint Inspection Unit and its secretariat;

(c) The United Nations share in the budget of the secretariats of subsidiary bodies of the Administrative Committee on Coordination: the

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* The present document contains part X of chapter II of the first report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 1998-1999. Chapter I has been issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7). The complete first report will be issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7/Rev.1).

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Information Systems Coordination Committee, the Consultative Committee on Administrative Questions and the Consultative Committee on Programme and Operational Questions;

(d) The International Computing Centre.

X.3. The Advisory Committee was provided with the following table, which contains the indicative shares of participating organizations in the costs of jointly financed bodies for 1996-1997 which are reviewed by the Administrative Committee on Coordination. Under the formula utilized, the cost of ICSC and the secretariats of the Consultative Committee on Administrative Questions and ISCC are apportioned each biennium on the basis of the number of staff with fixed-term or longer contracts at the close of the preceding biennium. The costs of the Joint Inspection Unit and the secretariat of the Consultative Committee on Programme and Operational Questions are apportioned on the basis of expenditure, excluding that related to peacekeeping, expenditures in-kind and 50 per cent of the expenditure of the International Trade Centre corresponding to the World Trade Organization's share.

Percentage shares of participating organizations in the costs of jointly financed bodies in 1996-1997

	International Civil Service Commission[a]	Joint Inspection Unit	Consultative Committee on Programme and Operational Questions	Consultative Committee on Administrative Questions[a]	Information Systems Coordination Committee[a]
United Nations[b]	28.69	20.93	20.93	28.69	27.37
United Nations Relief and Works Agency for Palestine Refugees in the Near East[c]	0.26	2.69	2.69	0.26	0.25
Office of the United Nations High Commissioner for Refugees[c]	6.52	12.42	12.42	6.52	6.22
United Nations Children's Fund	8.46	11.07	11.07	8.46	8.07
United Nations Development Programme	9.76	8.91	8.91	9.76	9.31
United Nations Population Fund	1.34	2.64	2.64	1.34	1.28
World Food Programme	2.75	7.20	7.20	2.75	2.62
International Labour Organization	5.22	3.92	3.92	5.22	4.98
Food and Agriculture Organization of the United Nations	9.25	6.77	6.77	9.25	8.82
United Nations Educational, Scientific and Cultural Organization	4.74	3.58	3.58	4.74	4.52
International Civil Aviation Organization	1.63	1.10	1.10	1.63	1.56
World Health Organization	9.64	8.50	8.50	9.64	9.20

	International Civil Service Commission[a]	Joint Inspection Unit	Consultative Committee on Programme and Operational Questions	Consultative Committee on Administrative Questions[a]	Information Systems Coordination Committee[a]
International Monetary Fund	-	-	-	-	4.58
Universal Postal Union	0.34	0.32	0.32	0.34	0.33
International Telecommunication Union	1.42	1.60	1.60	1.42	1.36
World Meteorological Organization	0.59	0.74	0.74	0.59	0.57
International Maritime Organization	0.59	0.40	0.40	0.59	0.56
World Intellectual Property Organization	0.90	1.02	1.02	0.90	0.86
International Fund for Agricultural Development	0.58	-	-	0.58	0.55
United Nations Industrial Development Organization	2.83	2.37	2.37	2.83	2.70
International Atomic Energy Agency	3.70	3.79	3.79	3.70	3.53
World Trade Organization	0.80	-	-	0.80	0.76

[a] Shares for ICSC, the Consultative Committee on Administrative Questions and the Information Systems Coordination Committee are provisional, based on end-1994 staff data, and are subject to change when end-1995 data become available.

[b] United Nations figures include ICSC, the International Court of Justice, the United Nations University, the International Trade Centre and the United Nations Institute for Training and Research.

[c] Figures have previously been included in United Nations totals. The share hitherto attributed to the United Nations is to be apportioned between the United Nations and the Office of the United Nations High Commissioner for Refugees and the United Nations Relief and Works Agency for Palestine Refugees in the Near East in a manner to be determined among them.

X.4. The Advisory Committee notes that, in previous presentations, the total resources for ICSC and the Joint Inspection Unit were requested under the present section on a gross basis and that reimbursement from other participating organizations was credited under income section 2. In respect of the three secretariats of the Administrative Committee on Coordination and the International Computing Centre, only the United Nations share of the total budget estimates was requested under section 29. However, in the current presentation, contained in the proposed programme budget for the biennium 1998-1999 (sect. 29), this concept has been extended to ICSC and the Joint Inspection Unit, as only the United Nations shares have been requested for appropriation even though the full budgets are shown.

X.5. The Advisory Committee, in its report on the proposed programme budget outline (A/51/720, para. 7), while indicating that it had been informed that the change in presentation would not affect the way in which resources for those

entities were administered, recommended that the Secretary-General seek approval, prior to submission of the proposed programme budget, by way of a policy paper detailing implications, if any, with respect to the statutes of these entities. This has not been done.

X.6. The Advisory Committee was informed by the Secretariat that current procedures would not be changed. It believes, however, that the proper arguments for a change in the budget methodology should have been presented. Furthermore, the Committee was informed that the Secretariat would allot the full amount of the approved budgets of ICSC and the Joint Inspection Unit while awaiting receipt of funds from the participating agencies. The Committee questioned the basis for committing funds that may not have been received and requested information on the timing of collections from the agencies for the 1994-1995 and 1996-1997 budgets. The Committee was informed that for 1998-1999 the Programme Planning and Budget Division would request the Accounts Division to revert to the previous system of billing, whereby the organizations would be billed initially on the basis of the approved budgets of those activities, and adjustments would be made on the basis of actual expenditures. The comments and recommendations of the Committee on net budgeting are contained in paragraphs 43 to 45 of chapter I.

A. International Civil Service Commission

X.7. The Advisory Committee notes from table 29.4 that ICSC expenditures for the biennium 1998-1999 are estimated at $10,919,200 before recosting, showing a resource reduction of $179,800 as compared with appropriations for 1996-1997. The proposed number of established regular posts at ICSC is 44 (20 Professional and 24 General Service posts), reflecting the reduction of one P-3 and one General Service post. The Committee was informed upon enquiry that, as at May 1997, there were six vacancies at ICSC (5 Professional and one General Service post).

X.8. A resource growth of 47.3 per cent over 1996-1997 appropriations is shown for contractual services, from $17,100 to $25,200 before recosting. In this connection, the Committee notes that $10,800 is included for training of staff in computer software, which is normally done on-site, and for specialized courses in human resources development and salary administration, among others, at universities and other institutions, which are important for maintaining the technical expertise of the staff.

X.9. As indicated in paragraph 29.32 of the proposed programme budget, the United Nations share in the total budget of ICSC, using 1996-1997 rates, would be 28.73 per cent of the full amount, hence $3,137,100.

B. Joint Inspection Unit

X.10. Table 29.7 of the proposed programme budget for the Joint Inspection Unit shows that the estimate for 1998-1999 amounts to $9,153,200 before recosting, reflecting a $190,000 resource reduction when compared to the 1996-1997 appropriations.

X.11. The Advisory Committee notes from table 29.8 that the proposed number of established regular posts for the Joint Inspection Unit is 19 (10 Professional and 9 General Service posts). This includes the establishment of three posts at the Professional level - a P-4 research officer, a P-2 associate research

officer and a P-3 information technology officer - to help develop the information and documentation capacity of the Unit. This increase is to be offset, as indicated in paragraph 29.41 of the budget estimates, by the abolition of two posts: a P-5 senior research officer and a General Service management analysis assistant. The Committee was informed that as at May 1997 there were no vacancies at the Joint Inspection Unit. The Committee recommends acceptance of this proposal.

X.12. The Advisory Committee notes a resource growth of $22,300 compared to 1996-1997 appropriations for general operating expenses. The Committee was informed this resulted from higher requirements under communications. Previous appropriations had proven insufficient even though the Unit has introduced and applied internal controls in Geneva and New York. This increase in communication requirements, along with the net increase of one post, is met by reductions in estimates for travel, temporary assistance and consultants.

X.13. The Advisory Committee, in its previous report for the biennium 1996-1997,[1] and the General Assembly, in paragraph 62 of part III of its resolution 50/214 of 23 December 1995, requested the Joint Inspection Unit to review its practice of allocating travel funds so as to ensure their most efficient use. The Committee notes, as indicated in paragraph 29.40 of the proposed programme budget, that the Unit established a new system of allocating travel funds in accordance with specific studies and activities related to the implementation of its approved programme of work. The Committee also notes, however, that the allocation among categories contained in paragraph 29.40 is indicative only, since once the work plan is finalized, on an annual basis, the travel requirements are allocated among the specific needs. The Committee was further informed that travel expenditure had been streamlined through a combination of modalities, such as travel for more than one report, for presentation of one report and preparation of others and an increase in the use of telecommunications facilities and on-line links to information sources as a partial alternative to travel.

X.14. Requirements for general temporary assistance have been reduced by 50 per cent, to $28,900. The estimate for consultants and experts, which is to cover the provision of special technical advice to the Inspectors, has been reduced by 66 per cent to $14,500. As for the provision of $10,800 for specialized training for the staff of the Unit as indicated in paragraph 29.43 of the proposed programme budget, the Committee notes that although resources are requested under the Unit, the programme is administered by the Office of Human Resources Management.

X.15. As indicated in paragraph 29.47 of the proposed programme budget, the United Nations share in the total budget of the Unit, using 1996-1997 rates, would be 20.93 per cent, or $1,915,800.

C. Information Systems Coordination Committee

X.16. The Advisory Committee notes from paragraphs 29.50 and 29.51 of the proposed programme budget that the Information Systems Coordination Committee proposals were reviewed by the Consultative Committee on Administrative Questions in February 1997. The total budget of the Information Systems Coordination Committee for 1998-1999 amounts to $1,537,100 before recosting and, based on the 1996-1997 agreed cost-sharing formula, the United Nations share amounts to 27.40 per cent, or $421,200. The provision of staff resources covers one D-1 post for the Secretary of the Committee and one General Service post.

D. Consultative Committee on Administrative Questions

X.17. The proposed budget for the Consultative Committee on Administrative Questions for 1998-1999, reviewed by that Committee in February 1997, amounts to $1,585,800 before recosting. The United Nations share, at the 1996-1997 rates, amounts to 28.73 per cent, or $455,600. The provision for staff resources covers two D-1, one P-5 and two General Service posts. A third existing General Service post is to be abolished for the coming biennium.

E. Consultative Committee on Programme and Operational Questions

X.18. Resources requested for the Consultative Committee on Programme and Operational Questions for 1998-1999 amount to $947,600 before recosting. Staff resources include two Professional posts (one D-1 and one P-4/3) and one General Service post. The Committee notes, as indicated in paragraph 29.91 of the proposed programme budget that the United Nations share amounts to 20.93 per cent of the total, or $198,300.

F. International Computing Centre

X.19. Resource requirements for the International Computing Centre for 1998-1999 are estimated at $9,661,000. As shown in table 29.20 of the proposed programme budget, estimated expenditures for 1996-1997 amount to $5,961,500. As indicated in paragraph 29.97, the United Nations ceased to operate its mainframe facility in New York and started using the Centre's facilities in Geneva as at April 1997. This accounts for most of the increase in resource requirements. The United Nations share of the costs for the services of the Centre is estimated at $2.6 million for the coming biennium.

Section 30. Special expenses

X.20. The Secretary-General's estimate for section 30, Special expenses, for 1998-1999 amounts to $47,433,700 before recosting, reflecting a resource growth of $6,083,300 compared with appropriations for 1996-1997. The Advisory Committee notes that the increase is mostly attributable to bank charges, pension payments to former Secretaries-General and after-service health insurance.

X.21. As shown in table 30.3 of the proposed programme budget, it is estimated that after-service health insurance will increase from $36,781,900 in 1996-1997 to $41,878,200 for 1998-1999, before recosting. The Advisory Committee notes, as indicated in paragraph 30.6, that this requirement is based on an anticipated 7 per cent annual increase in membership in the programme for the coming biennium and the assumption that 89.8 per cent of the total subsidy is attributable to the regular budget and 10.2 per cent to extrabudgetary accounts. Furthermore, the Committee was informed upon enquiry that various factors had been taken into consideration in preparing those estimates: lower mortality rates, advances in medical technology, the growth in medical delivery costs at Headquarters and overseas, and so on. To illustrate this trend, the Committee was informed that at the end of 1996 there were 3,560 participants in the programme at Headquarters; 3,988 are estimated for 1997, 4,285 for 1998 and 4,581 for 1999.

X.22. In its resolution 38/235 of 20 December 1983, the General Assembly established a maximum cost-sharing ratio of 2 to 1 between the Organization and the participants in the health insurance programme. Accordingly, the organizational subsidy applied to health insurance plans for Headquarters staff and retirees residing in the United States was set at 66.7 per cent of the total premium cost of the plans concerned. The Committee was further informed that prior to the adoption of this arrangement, the sharing ratio had been 50/50 at Headquarters and other duty stations. The ratio continues to be 50/50 at non-Headquarters duty stations.

X.23. In response to further queries regarding cost-containment measures, the Committee was informed that as at 1 July 1997, the Organization would no longer offer a pure indemnity plan but rather two health maintenance organizations and two preferred-provider organization plans. Retirees would have access to a preferred-provider organization structure under which participants receive medical treatment from a network of physicians and other providers contracted by the insurer to accept a schedule of negotiated fees for services lower than the traditional fee-for-service charges. The result should decrease overall medical insurance costs by 14 per cent.

X.24. In its first report on the programme budget for 1996-1997,[2] the Advisory Committee noted that at the time an actuarial study was being carried out to assess the future viability of the health insurance scheme. Furthermore, the Board of Auditors, in the financial report and audited financial statements for the biennium ended 31 December 1995 and report of the Board of Auditors,[3] indicated that, on the basis of that study, the Organization's liability as at 1 January 1995 for after-service health insurance benefits covering all participants, regardless of funding source, stood at $1,062,456,000.

X.25. In view of the above, the Advisory Committee recommends that the long-term implications and impact of this growth upon the Organization should be addressed, on a system-wide basis, in a report by the Secretary-General, along with practical indications of how the Secretariat intends to address the issue.

X.26. Regarding pension payments to former Secretaries-General, the Advisory Committee notes from table 30.10 of the proposed programme budget that estimated requirements have increased from $420,500 during 1996-1997 to $624,000 for 1998-1999 before recosting.

X.27. The Advisory Committee recalls that in its first report on the programme budget for the biennium 1996-1997,[4] it had requested the Secretary-General to take the necessary steps to secure reduced bank charges, in view of the considerable level of United Nations funds handled by the banks in question. The Committee also notes, as shown in table 30.6 of the proposed programme budget for 1998-1999, that requirements for the coming biennium are estimated at $1,084,100 before recosting - an increase of 531 per cent over 1996-1997 appropriations.

X.28. In this regard, the Advisory Committee was informed that the Organization had established a new cash concentration system banking arrangement after an extensive competitive bidding exercise launched in 1994. The previous arrangement, as indicated in paragraph 30.13, while charging artificially low banking fees also provided sub-market rates of interest. However, the Committee was informed that, under the new arrangement, any balance left at the end of the day in a cash concentration sub-account automatically earns an institutional rate of interest. Market rates of interest are earned on all balances in each of the 158 sub-accounts. As at 31 December 1996, 549 bank accounts, including

the 158 sub-accounts of the cash concentration system, have been maintained at 172 financial institutions. For the biennium 1998-1999, the Secretariat estimates that banking charges for the regular budget will be partially offset by $640,000 in interest to be earned through this system. In this connection, the Committee was informed that if Member States were to pay their assessments in full and on time, the amount of interest earned could be increased by $25 million per year.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. IX.9.

[2] Ibid., para. IX.17.

[3] Official Records of the General Assembly, Fifty-first Session, Supplement No. 5 (A/51/5), note 22.

[4] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. IX.20.

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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1998-1999

First report of the Advisory Committee on Administrative and Budgetary Questions*

PART XI. CAPITAL EXPENDITURES

Section 31. Construction, alteration, improvement and major maintenance

XI.1. Part XI of the proposed programme budget for the biennium 1998-1999 covers section 31, Construction, alteration, improvement and major maintenance, for which an estimate of $35,893,400 is proposed. No extrabudgetary resources are included in this part of the proposed programme budget.

XI.2. Resource requirements under section 31 ($35,893,400) reflect a net resource growth of $5,421,000, or 18.9 per cent, compared with the 1996-1997 revised appropriations. The total of $35,893,400 comprises resource requirements for the following two programmes: (a) alteration and improvement ($13,591,600) and (b) major maintenance ($22,301,800). The net growth of $5,421,000 reflects the combined effect of an increase of $6,333,800 under major maintenance and a decrease of $912,800 under alteration and improvement.

XI.3. The Advisory Committee points out that the proposed requirements of $35.9 million (at 1998-1999 rates) for alteration, improvement and major maintenance, although somewhat higher than the related appropriations for the

* The present document contains part XI of chapter II of the first report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 1998-1999. Chapter I has been issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7). The complete first report will be issued as Official Records of the General Assembly, Fifty-second Session, Supplement No. 7 (A/52/7/Rev.1).

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current biennium ($28.6 million), are nominally comparable to the expenditures for these activities during the previous two bienniums: $36.2 million in 1994-1995 and $35.3 million in 1992-1993; in real terms, taking into account inflation, the proposed requirements reflect a decrease in resources for buildings management compared to the 1994-1995 and 1992-1993 bienniums.

XI.4. The Advisory Committee is of the view that it is important that the budget submissions for alteration, improvement and major maintenance be related to some objective standards. The Committee recommends that future budget submissions for alteration, improvement and major maintenance indicate the value of United Nations-owned buildings. The Committee requests that the Secretary-General indicate in future proposed programme budget submissions a comparison between United Nations and industry standards for the cost of maintenance vis-à-vis the value of buildings.

XI.5. As reflected in paragraph 31.2 of the proposed programme budget, the activities relating to buildings management are undertaken at Headquarters by the Buildings Management Service, Office of Conference and Support Services, and outside Headquarters by the Division of Administration at the United Nations Office at Geneva, the Division of Administration and Common Services at the United Nations Office at Vienna, the Division of Administrative Services at the United Nations Office at Nairobi and the divisions of administration at the regional commissions; although buildings management activities are undertaken individually by those units, that portion of resources requiring capital expenditures is included in the present budget section in order to ensure a coordinated and systematic approach to problems of common concern related to facilities management, major maintenance and construction. Furthermore, as indicated in paragraph 31.3 of the proposed programme budget, one of the objectives of buildings management is to plan, in particular for offices away from Headquarters, new facilities and technical installations required for intergovernmental and inter-agency meetings and conferences.

XI.6. At the same time, the Advisory Committee notes that Headquarters will no longer provide an integrated and coordinated management policy and guidelines on space and master development plans to locations outside Headquarters, services previously provided by the Overseas Property Management and Construction Unit (see para. 31.2 of the proposed programme budget). Moreover, the Committee recalls that in paragraph XI.21 of its first report on the proposed programme budget for the biennium 1996-1997,[1] the Committee enquired into the role of Headquarters vis-à-vis offices away from Headquarters with regard to the coordination of building maintenance policies and requested the Secretary-General to clarify the matter in his next budget submission. The Committee notes with concern that this request was not addressed in the budget submission. The Committee was informed, upon enquiry, that the Unit had originally been established at the time of active construction activity within the Organization and had provided considerable assistance, including staff resources. However, in view of the completion of the construction projects at Bangkok and Addis Ababa, temporary resources associated with the Unit have been proposed for release during the biennium 1998-1999. Within existing resources, the Buildings Management Service may provide limited guidance, however not at the level previously rendered by the Unit. In this connection, the Committee points out that it considers it very important that Headquarters continue to play, during the biennium 1998-1999, a central role on issues of maintenance of buildings owned by the United Nations, of which many, because of age, will require major maintenance.

XI.7. All staff requirements relating to the implementation of the activities programmed under part XI are included under section 27, Administrative services. The budget proposal under section 27 provides, inter alia, for the abolition at Headquarters of 18 posts in the Trades and Crafts category and one P-5 and seven General Service posts; the P-5 post and one of the General Service posts are temporary posts formerly performing the functions related to overseas property management, including oversight of the construction projects at Bangkok and Addis Ababa. The Advisory Committee was informed that the abolition of the Trades and Crafts posts is the result of greater reliance on outsourcing. On the question of outsourcing, the Committee refers to its comments in paragraph VIII.72 of the present report on the need to establish criteria to determine services to be contracted out. The Committee also recalls the comments of the Office of Internal Oversight Services in its report on the review of outsourcing practices at the United Nations (A/51/804) on the need to conduct a cost-benefit study on the subject. The Committee stresses the need for resorting to outsourcing only on the basis of a thorough cost-benefit analysis and with due regard to considerations of security and safety at United Nations buildings; moreover, in order to ensure and enhance the institutional memory in the area of buildings management, a proper balance should be maintained between staff on permanent contracts and those who hold other types of appointment with the Organization.

XI.8. The Advisory Committee notes from paragraph 31.6 of the proposed programme budget that a number of projects proposed for 1998-1999 are either projects that were already approved by the General Assembly but were deferred owing to the need to undertake other unforeseen emergency projects, or are a continuation of previously approved multi-year projects. Table 31.3 of the proposed programme budget provides, as requested by the Committee, information on the status of projects proposed for 1998-1999; as can be seen from the table the estimated cost of projects deferred from prior periods amounts to $1.5 million in alterations/improvements and $3.5 million in major maintenance. In response to its enquiry, the Committee was informed that the main reason for the deferral was the need to reduce spending during the biennium.

XI.9. The Advisory Committee recalls, in this connection, that it had, in the past, expressed concern about the high proportion of projects deferred from the previous biennium in the total proposed requirements for alterations/ improvements and major maintenance. The Committee points out that the deferral of approved projects in alterations/improvements and major maintenance, although resulting in reduced spending during the current biennium, does not necessarily generate "real" savings for the Organization; on the contrary, the more time that is lost for the completion of such projects, the more expensive they may become. Therefore, the Committee does not endorse the practice of the deferral of projects in alterations/improvements and major maintenance in the interest of reducing spending per se or showing apparent savings, nor does it approve of the tendency of resorting to funds approved for such projects in order to finance other activities.

XI.10. The Advisory Committee recalls that in its first report on the proposed programme budget for the biennium 1996-1997 it requested the Secretary-General to clarify to what extent the current mechanism of programme support costs charged to extrabudgetary funds provided an adequate recovery of expenditures incurred by the Organization in maintaining buildings in which space was provided to staff funded from extrabudgetary sources, and to propose, if required, the necessary changes to the current cost-recovery mechanism in the context of his next budget submission. The Committee notes with concern that this request was not addressed in the budget submission.

XI.11. The Advisory Committee was informed, upon request, that the Secretary-General is of the view that the fundamental requirements to enable the Organization to exist and to exercise its functions and powers within the scope of the Charter should be covered under the regular budget; capital expenditures for maintaining the land and structures of the Organization remain the collective responsibility of Member States and financing of such activities should be borne by the Members of the United Nations as apportioned by the General Assembly. Moreover, the Secretary-General is of the view that programme support funds continue to provide for backstopping expenditures, inter alia, rental of space occupied by staff funded from extrabudgetary sources. The use of programme support funds is not considered appropriate for major maintenance and alteration and improvement projects of the Organization's capital assets based on the similar rationale applied in those cases where space is rented by the United Nations, but any of the costs related to works to the structure, particularly as it impacts on the value of the property, remains the responsibility of the owners of the premises. The Committee has no objection to the above; indeed, its concern was related solely to the need to charge extrabudgetary funds a fair share of the costs for accommodating extrabudgetary staff; this should take into account, inter alia, the cost of maintenance.

XI.12. In connection with the proposed requirements of $39,100 and $232,700 for fees for architects and construction and engineering consultants for the United Nations Office at Geneva, the Committee recommends that all such requirements be justified in future budget submissions in terms of specific projects to be undertaken with the assistance of consultants and the time to be spent by them on each such project.

XI.13. While not recommending reductions to the estimated requirements proposed by the Secretary-General under section 31, the Advisory Committee trusts that every effort will be made to implement projects in buildings management with maximum efficiency. Furthermore, the Committee requests that measures be taken to allow for the provision of adequate conference services and related facilities throughout the year. The Committee also requests the Secretary-General to include in his final performance reports detailed information on the status of implementation of all projects in buildings management approved for the biennium.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

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First report of the Advisory Committee on Administrative and Budgetary Questions*

PART XII. STAFF ASSESSMENT

Section 32. Staff assessment

XII.1. As indicated in paragraph 32.1 of the proposed programme budget for the biennium 1998-1999, the salary and related emoluments of United Nations staff members are subject to the assessment rates in regulation 3.3 of the Staff Regulations of the United Nations and amendments thereto. The Advisory Committee notes that, for the purpose of comparability with the work programme and budget proposals of other organizations of the United Nations system, the Secretary-General has estimated the staff costs net of staff assessment under the various sections of expenditure of the proposed programme budget. The difference between gross and net salaries amounts to $324,600,100 for 1998-1999 and is requested by the Secretary-General as a global amount under expenditure section 32.

XII.2. The Advisory Committee notes that, in accordance with the current budgetary procedure of the United Nations, amounts withheld in the form of staff assessment are revenue to the Organization. Accordingly, the amount of $324,600,100 requested under section 32 is reflected in income section 1, Income from staff assessment, which also includes staff assessment income from staff charged to revenue-producing activities, as indicated in paragraph IS1.2.

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